FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 092 13 May 1987

INTER-AMERICAN AFFAIRS

ARCAL Nuclear Meeting To Begin in Santiago [EFE] A 1
Andean Group Approves Statute Modification [AFP] A 1
Christian Democrats Elect Parliament Leaders [EXTRA 7 May] A 1
Spanish Government Grants Credit to Panama, Cuba [EFE] A 1
Argentine Army Chief Opens Science Conference A 2
Briefs: New ACAN President A 2

ARGENTINA

Attorney General's Ruling on 'Due Obedience' B 1
Government Approves New Wage, Economic Guidelines B 3
Central Bank Increases Transfer Dollar Rate B 4
15 Tucano Airplanes Purchased From Brazil B 4
Publisher Says LA RAZON Will Not Close B 5
[BUENOS AIRES HERALD 15 May]

BOLIVIA

Minister Denies Rumors of Paz' Poor Health [AFP] C 1
Bedregal Reports to Congress on Negotiations [AFP] C 1
Briefs COB on Talks [AFP] C 2
Government To Create New Antidrug Organization C 2
[PRESENCIA 3 May]

BRAZIL

Sarney Cancels Visit to Cachimbo Military Base D 1
[FOLHA DE SAO PAULO 12 May]
New Measures Disclosed on Price Adjustment D 1
Sarney Blames Businessmen For Price Hikes D 1
Cuban Justice Minister Denies Release of Prisoner D 2
Committee on Presidential Term, Government Form D 2
Assembly Trends Viewed [O ESTADO DE SAO PAULO 10 May] D 3
Correction to Bresser Interview on Solutions D 4

CHILE

Terrorist Arrested in Rancagua, Explosives Seized E 1
'Unknown Persons' Attack, Damage CNI Post [AFP] E 1
Shooting, Looting Reported During Blackout [EFE] E 2
Junta Abolishes CNI Agents' Powers of Arrest [AFP] E 2
Exiled Lawmakers Return, Seek Court Protection E 3
Baltra, Campusano Banished [AFP] E 4

MIR Executive Board Issues Communique on Split E 5
[LA EPOCA 7 May]
FACH Plans To Build Air Base in Antarctica E 5
[LA TERCERA DE LA HORA 26 Apr]

COLOMBIA

Oil Pipeline Operation With Ecuador Launched F 1
Peasant Exodus Predicted With Continued Clashes F 1
Briefs: Cocaine Confiscated F 1

PARAGUAY

Hospital de Clinicas Personnel Declare Stoppage [HOY 12 May] H 1
Briefs: AIDS Cases Reported; New Ambassadors Appointed H 1

PERU

Police Defuse Explosive Devices Under Bridges [EFE] J 1
8,000 Petroperu Workers Suspend 20-Day Strike J 1
Terrorists Attack Northern Region, Kill Two [AFP] J 1
'Presumed' Shining Path Terrorists Kill Policeman [EFE] J 2
Curfew, State of Seige 'Possibility' Discussed [EFE] J 2
IU Senator Reports Murder of 16 Peasants 7 May J 3
Highway Planned With Brazilian Credit [EFE] J 4
Briefs: Inflation Rate Increases; AIDS Cases Reported; J 4
Oil Find Reported

MEXICO

Commission Created To Help Repatriated Workers M 1
[EL DIA 4 May]
Joint Communique on Sepulveda Visit Analyzed M 2
[UNOMASUNO 8 May]
Antidrug Campaign Reports 4-Month Results M 3
[EL NACIONAL 6 May]
Argentina Signs Agreement To Build Gas Pipeline M 3
France Approves 600 Million Franc Loan M 4
Leftist Parties PRT, LOM Announce Merger [EL DIA 3 May] M 4
Briefs: Ambassadorial Credentials M 4

PANAMA

Abadia Claims U.S. 'Intimidation' on Contadora N 1
Abadia on U.S. Noncompliance With Treaties N 2
[LA PRENSA 10 May]
U.S. 'Playing With Fire' by Supporting Regime N 3
[EXTRA 12 May]
U.S. Praises Panama for Drug-Traffic Assistance N 4
No Drug 'Money Laundering' Took Place in Panama N 5
[EL SIGLO 12 May]
Legislator Criticizes Handling of Drug Trafficking N 5
[LA PRENSA 12 May]

Moving Treaty Implementation to 1990 Urged N 6
[LA REPUBLICA 11 May]
PRT Supports Military Training To Defend Canal N 7
[EXTRA 12 May]
Southern Command Role After Canal Turnover Viewed N 8
[LA REPUBLICA DOMINICAL 10 May]
Liberal Party Hopes for 'Constitutional Coup' [EXTRA 9 May] N 9

CENTRAL AMERICA

EL SALVADOR

FMLN-FDR Rejects Arias Plan as 'Not Feasible' [EFE] P 1
Defense Minister Denies Charges by Alleged Contra P 1
Army To Review Defense, Counterattack Strategies P 2
Ungo on Dialogue, U.S. Aid, Arias Peace Plan P 3
Workers Group Demands Expulsion of U.S. Envoy P 4
Army Helicopter Makes Emergency Landing P 5
[Buenos Aires REUTER]

GUATEMALA

President Departs on Official Visit to U.S. P 6
[Buenos Aires REUTER]
Official Derides Arias Coup Possibility Statement P 6
Briefs: Poppy Plantations P 6

HONDURAS

Regalado Hernandez Discusses U.S. Impact on Region P 7

NICARAGUA

Defense Ministry Confirms Contras Down MI-17 [AFP] P 10
Domestic Trade Minister Discusses New Policies P 10
Bank Official Views Agricultural Financing P 11
Borge Meets Peasants Evacuated From Nueva Segovia P 12
Miskitos To Use 'Air Bridge' To Return Home [AFP] P 13

CUBA

U.S. Citizens Plot To Kill Nicaragua's Ortega Q 1
Aftermath of Argentine Military Uprisings Q 1
Bolivians Oppose May Maneuvers With U.S. Q 2
Ethiopian Central Committee Member Arrives Q 3
Political Situation in Paraguay Surveyed Q 3
'Giant' Drive, Bonuses Planned For Sugar Workers Q 4
Uruguayan Foreign Minister Meets With Economist Q 5

CARIBBEAN

DOMINICA

Labor Minister Warns Against Communist Control S 1

GRENADA

PM Warns on 'Politics of Confrontation' S 1
Guyana's Hoyte Describes Relations as Excellent S 2

JAMAICA

Seaga Assesses 1986-87 Economic Growth S 2

TRINIDAD AND TOBAGO

Commission Appointed To Review Constitution S 4

DOMINICAN REPUBLIC

Venezuelan Embassy Withdraws Blanco Protection S 5

ARCAL NUCLEAR MEETING TO BEGIN IN SANTIAGO

PY110310 Madrid EFE in Spanish 0018 GMT 11 May 87

[Text] Santiago, 10 May (EFE) -- The fourth meeting for technical coordination and planning of the cooperation arrangements for the Promotion of Nuclear Science and Technology in Latin America Program (ARCAL) will be held in Chile between 11 and 15 May.

The meeting is sponsored by the IAEA and coordinators from 12 of the area's countries will participate.

The ARCAL program began in 1981 at the insistence of the Andean subregion countries (Bolivia, Colombia, Ecuador, Peru, and Venezuela) with the IAEA as adviser.

ANDEAN GROUP APPROVES STATUTE MODIFICATION

PY120114 Paris AFP in Spanish 0042 GMT 12 May 87

[Text] Lima, 11 May (AFP) -- It has been reported in a press conference that the integration ministers of the five countries that make up the Andean Group today approved a modification of the treaty that gave birth to that organization.

According to Ricardo Noboa Bejarano, president of the Cartagena Accord Committee, the protocol, which was approved after approximately 5 years of negotiations, will be signed on 12 May at 1800 (2300 GMT) at Government House in Quito. [as received]

CHRISTIAN DEMOCRATS ELECT PARLIAMENT LEADERS

PA071617 Panama City EXTRA in Spanish 7 May 87 p 8

[Text] Within the framework of the 77th IPU Conference, which was held in the Nicaraguan capital of Managua, the parliamentarians who make up the Christian Democratic Organization of America met to establish their parliamentarian group.

The parliamentarians elected a directorate that is made up as follows: Deputy Abdon Vivas Teran, Venezuelan deputy and leader of COPEI's parliamentarian faction, as president; Panamanian Deputy Honorable Legislator Guillermo Cochez as vice president for the Central American area, and Dr Jamil Mahuad Witt, Ecuadoran deputy and member of the parliamentarian faction of the Popular Democracy Party, as vice president for the Andean area (South America).

SPANISH GOVERNMENT GRANTS CREDIT TO PANAMA, CUBA

PA082228 Madrid EFE in Spanish 1530 GMT 8 May 87

[Text] Madrid, 8 May (EFE) -- The Spanish Government approved credits for Panama and Cuba today to finance this country's export of goods and services, and for industrial and infrastructure projects.

The credits that have been granted all will be charged against the Aid for Development Fund (FAD) [Fondo de Ayuda al Desarrollo].

The amount of credit granted to Panama -- with which it will finance 20 percent of its purchases of industrial products -- is $4.7 million, with a 15-year payment term, a 7-year grace period, and an annual interest rate of 4 percent.

Cuba will receive $26 million to finance industrial projects proposed by Cuban authorities, giving priority to the purchase of equipment goods.

ARGENTINE ARMY CHIEF OPENS SCIENCE CONFERENCE

PY111832 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1628 GMT 11 May 87

[Text] Buenos Aires, 11 May (NA) -- Army Chief of Staff General Jose Segundo Dante Caridi today inaugurated in Buenos Aires the first conference of science and technology of the Armies of the Americas.

Caridi said the Army under his command "sponsored this conference to open the way for technological exchanges." He added that "as with any new event, the conference presents an uncertainty and offers hope. The uncertainty is in the outcome of the conference and the hope is that a new contact between the Armies of the Americas will be established." He said: "Although our countries, our armies have many contacts, there are many differences in a field so new and with such explosive developments as that of science and technology."

Delegations from Bolivia, Brazil, Colombia, Chile, El Salvador, the United States, Guatemala, Panama, Paraguay, Peru, Uruguay, and Argentina are attending the conference.

The conference, which is being held in the Army Superior Technical School, will conclude on 15 May.

BRIEFS

NEW ACAN PRESIDENT -- San Pedro Sula (Honduras), 4 May (ACAN-EFE) -- Honduran businessman Jorge Canahuati, editor of the dailies LA PRENSA and EL HERALDO, was elected president of ACAN today. The election took place in San Pedro Sula (northern Honduras), during an ordinary assembly of ACAN-EFE shareholders. Canahuati replaces Costa Rican national Lilia Catelan de Lara de Berrocal, who served in that position since 1983. [Excerpt] [Panama City ACAN in Spanish 2340 GMT 4 May 87 PA]

ATTORNEY GENERAL'S RULING ON 'DUE OBEDIENCE'

PY080345 Buenos Aires NOTICAS ARGENTINAS in Spanish 1855 GMT 7 May 87

[Text] Buenos Aires, 7 May (NA) -- Attorney General Juan Octavio Guana today ratified the enforcement of the system calling for the "unquestioned obedience" of chief officers, subordinates, noncommissioned officers and troops of the security and Armed Forces. Gauna also suggested that those involved in human rights violations during the struggle against subversion who acted in keeping with orders from superiors should be absolved.

To justify his position, Gauan quoted Article 514 of the Military Justice Code which establishes "unquestioned obedience" and states that "when a crime is committed when following orders, the superior officer who issued this order will be the only one responsible for this crime."

Gauna also contends that Article 11 of Law 23049, that amended the Military Justice Code, which states that those who had committed atrocities or aberrant crimes cannot be exonerated from these crimes on the basis of due obedience is unconstitutional since this regulation cannot be applied retroactively; that is, it cannot be applied to incidents that occurred before this law was approved by Congress.

Although Gauna believes that the military code approved in 1951 must be applied in these cases, he states that it must be amended "in view of the painful experiences" of the recent past because "although it is true that it does not leave those crimes committed during the deployment of military activities unpunished it does not impede the planning of unacceptable belligerent actions that are an insult to our concept of human dignity."

Gauan issued this ruling regarding the case against General Camps. In keeping with his line of thought, he requested that Police Doctor Jorge Antonia Berges and Corporal Norberto Cozzani be absolved because they acted in keeping with orders from their superiors and, therefore, they can be exonerated under the "due obedience" clause.

However, Gauna rejects a request to absolve Commissioner Miguel Osvaldo Etchecolatz, the former Buenos Aires Police Investigations Department director.

Gauna bases his decision in that in view of his duties, Etchecolatz falls within the category described in the paragraph of the ruling issued by the Attorney General's Office. This ruling states that "it is impossible to preestablish" due obedience "when it affects those high-ranking officers who were in command of troops and who had decisionmaking capacity at the time the incidents occurred."

[Words indistinct] who had access to the drafting of strategic plans in the struggle against subversion or plans that contributed to this objective and, therefore, who had participated in the decisionmaking process that originated the orders that were carried out."

Gauna states that "those subordinates who, out of their own initiative, committed abuses while carrying out their duties, or who committed other crimes for selfish reasons are excluded from this exoneration."

This means that mid-level officers or subordinates who may have tortured people to obtain information from alleged subversives are acquitted if they were following superiors' orders.

Up to now, none of the high-ranking officers who headed the repression against the guerrillas has admitted that he issued any orders that encompassed kidnappings or torture. This means that, for the time being at least, there is no possibility of establishing that subordinte officers were following orders when they committed crimes of this nature.

Gauna's ruling favors Corporal Cozzani and Police Doctor Berges for whom he requested the repeal of sentences that respectively sentenced them to 4 and 6 years in prison on charges of repeated torture. This sentence was handed down by the Buenos Aires Federal Court.

After reasserting the existence of a legal system that establishes "unquestioned obedience" [words indistinct] that exonerates responsibility, Gauna expressed his [words indistinct] for its enforcement. This is included in a letter that Gauna sent to President Raul Alfonsin.

After a detailed analysis of the laws in force and after requesting the absolution of Cozzani, Attorney General Gauna said that there is "a clear and specific ruling," Article 514 of the Military Justice Code, which states that "subordinate officers are exonerated from any crime while the superior officer who issued the order is held responsible for that crime." Therefore, "in determining responsibility, only the latter is the perpetrator of the action and is incriminated as such."

In his extensive ruling, Gauna cites as other causes of exoneration "the entire legal system of the military organization, which in addition threatens to punish disobedience; trains and prepares officers to inexorably comply with orders and psychologically conditions them to accept that which their superiors believe is suitable."

Gauna said that the amendment of the Military Justice Code which states that those who committed atrocities or aberrant crimes cannot be exonerated from these crimes on the basis of due obedience is unconstitutional because it cannot be applied retroactively.

He states that Article 11 of Law 23049 amends Article 514 of the Military Code imposing "not only the right but the duty of subordinates to question the content of their orders."

Gauna adds that such a thing contradicts "a series of dispositions included in the Military Code that establish that subordinates have the duty to obey and that this is an unquestionable mandate. He adds that subordinates can question their orders only when they are not issued by their superiors or when they are not released to their duties.

Gauna states that the Military Code has been amended but that "it is not possible to enforce it for past events. It is not possible to enforce it retroactively because in doing so it will be violating Article 18 of the Constitution."

The attorney general also requests the repeal of the ruling that sentences former Police Doctor Jorge Antonio Berges based on the same principles.

In this regard he said that "in view of Berges' military rank at the time of the incidents he is charged with, he is exonerated under the due obedience clause as explained."

Gauna also requests the rejection of the arguments that were raised by Berges' defense which questioned the evidence submitted by the federal chamber when it issued the sentence.

The attorney general also requests that the sentence against General Commissioner Miguel Osvaldo Etchecolatz, who was General Camp's deputy at the Buenos Aires police, and who was sentenced to 23 years in prison on charges of repeating the same offense 95 times, be confirmed. Regarding Etchecolatz, Gauna says that "in view of this rank in the chain of command, in view of his direct and proven close relation he maintained with the provincial police chiefs in keeping with his capacity as director of the federal police Investigations Department, and in view of the development of events that led to the crimes that were tried, the due obedience clause cannot be applied to exonerate the officer in question."

GOVERNMENT APPROVES NEW WAGE, ECONOMIC GUIDELINES

PY100140 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1945 GMT 9 May 87

[Text] Buenos Aires, 9 May (NA) -- The Ministries of Economy and Labor have released a joint document stating that the "redefinition" of the salary policy "is based on the search for social agreements that will give greater force and consensus to the economic policy in order to strengthen tendencies toward growth with stability."

The 14-month document also says that "the new guidelines are aimed at making the principle of solidarity with the low-income sectors effective and fixing equitable price and salary regulations in order to succeed in the struggle against inflation and to protect the workers salaries."

The 14-point document that summarizes the measures adopted are:

1. On 1 May 1987, the minimum wage will be increased to 200 australs. The minimum wage is therefore increased 17.6 percent in relation to April, and 81.8 percent in relation to December 1986.

2. Before 20 May, all public and private workers will receive 50 australs, which is an advance payment of half the regular bonus due in June 1987.

3. During June, but before 10 June, all public and private workers will receive 50 australs, which is an advance payment of half the regular bonus that is due in December 1987.

4. The basic salaries established in contracts will increase 6 percent on 1 June 1987.

5. The regular salary increase for June, which is the result of the application of the readjustment mentioned in the preceeding point, will not be less than 30 australs.

6. The executive branch will establish the necessary mechanisms to coordinate these salary guidelines with the current salary regulations for national public administration workers who are not under union contract.

7. The following values for family allowances are established as of 1 June: Allowance per spouse: 15 australs; Allowance per child: 15 australs. This readjustment represents an increase of 15.4 percent in relation to current values.

8. It was decided that during the 3d quarter of 1987, salaries will be increased on a monthly basis by a percentage equal to the average monthly difference between the consumer price index and the wholesale price index of nonagricultural products during the 2d quarter.

9. Regular salaries for August derived from the application of this salary policy must be 25 australs more than June salaries.

10. The national executive branch has created an interministerial commission comprising representatives of the Ministries of Labor and Social Security, Economy, and Public Works and Services, who will evaluate the evolution of real prices and incomes during the first half of 1987. The purpose of this evaluation is to make, if possible, alternative proposals to the price and salary policies established for the 3d quarter of this year.

11. [Words indistinct] spouse and child of people on pensions. The increases will be in addition to the increases resulting from Decree 658/87 of the Social Security Reform, which will go into effect on 1 July.

12. The Secretariat of Interior Trade will establish the necessary administrative measures to end the price freeze on a gradual month-by-month basis. Prices will be allowed to rise by 2 percent in May and 4 percent in June. Current price ceilings will also be adjusted.

13. In response to the financial situation of public enterprises, and in order to improve the fiscal situation, the national executive branch will end the freezing of prices and tariffs for public services.

14. The Central Bank will coordinate exchange policies with the changes introduced in the salary policies in order to maintain the stability of real exchange rates.

CENTRAL BANK INCREASES TRANSFER DOLLAR RATE

PY121914 Buenos Aires DYN in Spanish 1330 GMT 11 May 87

[Text] Buenos Aires, 11 May (DNY) -- The Central Bank has just announced that the dollar exchange rate for transfer operations has increased 0.89 percent. The dollar will henceforth be purchased for 1.58 australs and sold for 1.586 australs.

The new devaluation of the austral is one of the measures implemented this last weekend under the prices and salaries policy.

15 TUCANO AIRPLANES PURCHASED FROM BRAZIL

PY070043 Buenos Aires DYN in Spanish 0114 GMT 6 May 87

[Text] Cordoba, 5 May (DYN) -- Brigadier General Roberto Engroba, chief of the Cordoba war materiel area and commander of the Cordoba Air Force Base, has confirmed that Brazil will soon deliver 15 Tucano airplanes which will be used to train Argentine pilots as part of a $50-million deal covering the supply of 30 Tucano airplanes. According to Engroba, the purchase, along with other cooperation activities in the field of aeronautics, is included in Agreement No 12, which was signed by President Raul Alfonsin and President Jose Sarney.

In comments to a radio station, Engroba remarked that the Air Force reviewed the possibility of replacing the Mentor airplanes, currently used to train military pilots, and said the study resulted in the selection of the Tucano airplane, from other options. "This deal must be understood as a deal of mutual interest because the purchase of Tucano airplanes involves a counterbalanced trade deal," Engroba stated.

Engroba explained that Argentina will pay Brazil by supplying 25 percent of the value of the deal in spare parts and 75 percent of the deal in Argentine-made airplanes. Engroba announced that the first delivery of spare parts [words indistinct] fiber materials and other raw materials for "Brasilia" airplanes took place 2 weeks ago. Engroba added that over the next 5 years a schedule of deliveries has been foreseen to gradually fulfill 25 percent of the deal while the remaining 75 percent of the deal will be covered with the supply of IA-63 Pampa airplanes whenever "we are in a position to put them on the market at the terms established." Engroba explained that in case demand cannot be met, the supply will be completed with airplanes to be jointly made with the EMBRAER [Brazilian Aeronautics Company], that is, small cargo airplanes that were recently mentioned in press reports. Engroba said the 30 airplanes to be purchased from Brazil are valued at $50 million.

Asked about the progress achieved in the integration program with Brazil, Engroba noted that "unfortunately, now they are also experiencing a sort of economic crisis, which is affecting the expected rate of integration." Nevertheless, Engroba stated "we continue working on the project of developing and jointly making the small cargo airplane." "There is a group of engineers who are well-acquainted with the project working at the EMBRAER on our part of the airplane," Engroba said.

Concerning the joint ventures of the Cordoba war materiel area, Engroba stated they are being studied by the Defense Ministry [words indistinct] we continue hoping that [words indistinct] during 1987, thus completely activating this factory complex."

Engroba announced that proposals from foreign private capital and companies are now being reviewed, citing, among others, the Aeritalia Company, the Pilatus Company from Switzerland, and the Dornier Company from the FRG.

PUBLISHER SAYS LA RAZON WILL NOT CLOSE

PA102309 Buenos Aires BUENOS AIRES HERALD in English 15 May 87 p 15

[Text] (DYN) -- The evening newspaper LA RAZON yesterday denied it was planning to fold and said the non-appearance of the paper in recent days was due to a conflict with its journalistic staff.

A communique signed by publisher Jose Pirillo said reports that the paper intended to close were tendentious and at no time had the idea ever crossed the minds of its authorities.

Pirillo said the journalistic staff had staged strikes during the last three days because part of the staff had not been paid their wages for April.

He said the publishers were studying means to correct the situation and rather than closing down the newspaper it planned to expand with the help of a sharp increase in circulation and advertising.

"Readers, buyers and advertisers should not be confused by the reports which only tend to harm the publishers and their employees," Pirillo said.

MINISTER DENIES RUMORS OF PAZ' POOR HEALTH

PY130229 Paris AFP in Spanish 0119 GMT 13 May 87

[Text] La Paz, 12 May (AFP) -- Minister secretary general of the Presidency, Walter Zuleta, today denied that Bolivian President Victor Paz Estenssoro is ill. He said that President Paz, who will be 80 this year, is not ill, and is not planning to travel abroad in the near future.

The rumor about Paz Estenssoro's state of health has been spread by the weekly ACTUALIDAD BOLIVIANA CONFIDENCIAL (ABC), whose director, Journalist Hugo Gonzalez Rioja, worked closely with President Paz in previous years. Gonzalez Rioja stated that President Paz Estenssoro's doctors advised him to reduce the tension caused by his activities as president. Thus, on 4 May, the president decided to ask Congress for a short leave in order to have a checkup in the United States.

Gonzalez added that the request was blocked by a palace group led by Planning Minister Gonzalo Sanchez de Lozada, in an effort to prevent the country from being governed by Vice President Julio Garret, who is also Congress chairman. The weekly states that President Paz meanwhile has drastically reduced his participation in state affairs, and handed them over to Minister Sanchez de Lozada, who is the most powerful mine owner in the country and closely connected with foreign business interests.

BEDREGAL REPORTS TO CONGRESS ON NEGOTIATIONS

PY081542 Paris AFP in Spanish 0622 GMT 8 May 87

[Text] La Paz, 7 May (AFP) -- It was officially reported here today that, in a strictly secret session, Foreign Minister Guillermo Bedregal Gutierrez reported to a congressional commission on the Bolivian strategy to achieve a useful and sovereign outlet to the Pacific Ocean.

The congressional commission is made up of 9 senators and 18 deputies and will have powers [vigencia] during the congressional recess, which will extend until the national independence day on 6 August 1987. The participants previously swore that they will not reveal the scope of the foreign minister's speech.

In comments to the press, Bedregal Gutierrez stated that his report was an act of cordiality and showed a democratic approach to the Legislative Branch because the constitution establishes that it is up to the president of the Republic to handle the foreign policy, while the foreign minister is charged with implementing it. However, Bedregal Gutierrez explained that Congress has the power to ratify or reject the international agreements that have previously been negotiated.

The foreign minister also gave the congressmen a detailed account of the talks held on 21-24 April 1987 with his Chilean counterpart, Jaime del Valle, in Montevideo, Uruguay. It was learned that Bolivia asked Chile for the concession of a corridor linking Bolivian territory with the Pacific Ocean or, alternatively, the concession of three enclaves on coastal territories that belonged to Bolivia before the War of the Pacific in 1879.

Briefs COB on Talks

PY120223 Paris AFP in Spanish 0045 GMT 12 May 87

[Text] La Paz, 11 May (AFP) -- It was officially disclosed here today that Bolivian Foreign Minister Guillermo Bedregal Gutierrez, during a closed-door meeting, explained to the Bolivian Labor Confederation (COB) Bolivia's strategy for obtaining through Chilean territory an outlet to the Pacific.

Bedregal gave the union leaders a detailed account of the talks he held with his Chilean counterpart, Jaime del Valle, in Montevideo, Uruguay, between 21 and 24 April. He also explained that Victor Paz Estenssoro's government had decided not to ask General Pinochet's regime to clarify the scope of the statement by Chilean Government Junta Member Admiral Jose Toribio Merino, who said he would veto any law designed to put an end to Bolivia's landlocked situation.

The La Paz daily ULTIMA HORA today stated that Toribio Merino often makes statements when he is drunk. It recalled that Chile seized Bolivia's maritime coast during the 1879 war.

GOVERNMENT TO CREATE NEW ANTIDRUG ORGANIZATION

PY111742 La Paz PRESENCIA in Spanish 3 May 87 p 6

[Text] Bolivian Foreign Minister Guillermo Bedregal has stated that the government will create an organization to coordinate the struggle against drug trafficking, in compliance with the law on controlled substances which has been submitted to the Legislative Branch for its approval.

He said that in the course of negotiations with a U.S. Government commission more than 60 days "were spent on finalizing the two annexes to the notes signed at the beginning of the year. [quotation as published]

The first annex refers to the prohibition, or the repression, of the crime both domestically and internationally, with the cooperation of the international police.

The second annex refers to the programs of voluntary reduction and substitution of coca plantations. This is the most important stage of the program from the national point of view because it involves a program prepared by the Campesino and Livestock Affairs Ministry. He added that his ministry is preparing the basic documents for an integrated rural development, "which is the most adequate response to the voluntary substitution of coca leaves; it must seek the most viable products for the national and international market." He said that the annexes will be signed within the next few days by the U.S. delegation, headed by Ambassador Edward Rowell.

Bedregal has stated that this organization created by the government is directly subordinated to the president of the Republic, and that the person to head this organization will also be designated by the president. He will administer a multilateral program.

Bedregal stated: "To carry out this 3-year program against drug trafficking we will have the support of the UN organization UNFDAC [United Nations Fund Drug Abuse Control] which will, within the next few weeks, decide on the requests for contributions from the governments that participated in the meeting held in Vienna (Austria) at the beginning of April."

SARNEY CANCELS VISIT TO CACHIMBO MILITARY BASE

PY130343 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 May 87 p A-7

[Text] President Jose Sarney, 57, has canceled his third visit to the military base at Serra do Cachimbo Hill (on the border of Mato Crosso and Para States). Sarney, who planned to visit the base on 15 May, has declined Air Force Minister Lieutenant Brigadier Octavio Julio Moreira Lima's invitation after talking with Military Household Chief General Rubem Bayma Denys and National Intelligence Service [SNI] Chief General Ivan de Souza Mendes. Taking into consideration the serious political crisis in the country, they advised Sarney not to leave Brasilia, even for a short time.

They also said they believe the visit might create negative reactions in Argentina, the United States, and the FRG.

Last year, Brazil signed a cooperation contract with the Argentine Government for the development and construction of a binational airplane, the turboprop EMB-123, to be used in regional air transportation. The contract also calls for trading of other products.

NEW MEASURES DISCLOSED ON PRICE ADJUSTMENT

PY130326 Brasilia Domestic Service in Portuguese 2200 GMT 12 May 87

[Excerpt] The Finance Ministry has announced two measures to curb inflation and speculation. Minister Luis Bresser Pereira himself explains the measures.

[Begin Bresser recording] Prices may only be adjusted every 30 days. The second measure states that any price adjustment 80 percent higher than the last increase in the INPC [Consumer Price Index] -- in other words the inflation rate for the month -- will have to be previously approved by the CIP [Interministerial Price Council]. Price adjustments of less than 80 percent of the INPC which are made in keeping with the 30-day time frame need only be registered with the CIP. [end recording] [passage omitted]

SARNEY BLAMES BUSINESSMEN FOR PRICE HIKES

PY121130 Rio de Janeiro Rede Globo Television in Portuguese 0255 GMT 12 May 87

[Text] Presidential Spokesman Frota Neto today said that President Sarney is angry at businessmen because of excessive price increases. According to Frota Neto, president Sarney told the finance minister by telephone that the Brazilian businessmen are not mature enough to work in a system of deregulated prices.

Mario Amato, president of the Sao Paulo State Federation of Industries, tonight replied to President Sarney in Sao Paulo. [Begin Amato recording] I believe we businessmen, who suffered the crisis and promoted development and who are creating jobs, deserve more consideration than that. We are thus becoming the scapegoats of a process over which we have no control. If a person hears there will be price controls, or a price freeze, he will seek to realign his prices above real prices to avoid past experiences: A scalded cat is afraid not only of hot water but also of cold water. [end recording]

CUBAN JUSTICE MINISTER DENIES RELEASE OF PRISONER

PY051554 Brasilia Radio Nacional da Amazonia Network in Spanish 1000 GMT 5 May 87

[Text] Justice Minister Paulo Brossard yesterday received a message from his Cuban counterpart, Juan Escalona, saying that political prisoner Rafael Gonzalez would not be released. Rafael Gonzalez, who was charged with conducting antirevolutionary activities, is serving a 20-year sentence in Havana.

Rafael Gonzalez' daughter (Irma Iscarra) has sent President Sarney a letter from Miami asking him to send the Cuban regime a request from the Brazilian Government for the release of her father.

COMMITTEE ON PRESIDENTIAL TERM, GOVERNMENT FORM

PY121521 Brasilia Radio Nacional da Amazonia in Portuguese 1000 GMT 12 May 87

[Text] Yesterday, the Constituent Assembly's Subcommission on the Executive Branch submitted its report proposing a 4-year presidential term and a neoparliamentarian form of government. Under the neoparliamentarian form of government, the president would be elected by direct vote and vested with power to name and dismiss the prime minister and the cabinet, after prior consultation with the party or parties which support the government. The nation's president, under the subcommission proposal, would have more power than he would under a classic parliamentarian form of government. For example, he could intervene in decisions regarding economic policy, submit bills to congress, approve and submit to Congress the budget prepared by the council of ministers, and exercise supreme command of the Armed Forces, making appointments of generals and commanders.

As for the length of the presidential term, the subcommission suggests it be 4 years for the current and future presidents, and sets 15 November 1988 as the date for the direct election of the future president, who should be inaugurated 90 days later.

According to the subcommission's coordinator, Senator Jose Fogaca, the large majorty of Constituent Assembly delegates agree with these proposals.

[Begin Fogaca recording] I tried to assess the predominant trend within the National Constituent Assembly carefully. All the statements we heard indicated that we should devise a system to preserve the power of the nation's president to submit bills, participate in budgetary decisions, exercise the command of the Armed Forces, and formulate and participate in foreign policy. We also tried to give a new role to Congress, an unprecedented role in the history of the Republic: To appoint the cabinet and to oversee the conduct of government, so that it can, on its own initiative, dispose of the entire cabinet or just one minister, depending on the vote of no confidence. [end recording]

For these proposals to be incorporated into the new constitution, approval from the Commission on Organization of the State, the Commission of Systematization, and the Plenum of the Constituent Assembly is required.

The public servants' rights subcommission found that 400 of the 520 proposals it received deal with the same subjects: job stability, minimum salary, freedom to undertake union activities, reduction of the number of years required for retirement, retirement allowance increase, prohibition to hire manpower without contracts [locacao de mao de obra], reduction of working hours, and compulsory qualifying examinations for public posts.

One of the most original proposals has been submitted to the subcommission of municipalities and regions, proposing to replace the federal system with a single state system. In theory, this should strengthen the municipalities.

Science, technology, and communications subcommission coordinator, Cristina Tavares (PMDB [Brazilian Democratic Mobilization Party], Pernambuco State) advocates a nationalist policy that will strongly defend the closure of the computer market and revise the concesssion of licenses for operating radio and television stations. This policy should be formulated by a council made up of representatives of the interested sectors.

According to the subcommission delegates, the economic sector would like the constitution to include some flexible principles, in line with the political situation and with domestic and foreign market conditions. The extremes of this position are, on the one hand, a proposal to nationalize the financial system -- which might weaken the power of the courts -- and, on the other, the establishment of an absolutely free market, with supply and demand operating freely and with some regulations to prevent the abuse of economic power.

The most technical debate is being held by the tax, participation, and distribution subcommittee, which also hears the most radical statements in defense of regional and sectorial interests. In particular, the north-northeastern bloc demands a higher share of the budget. There is also a group that supports the municipalities which has sought to promote municipal districts, while another faction seeks to gather funds for metropolitan areas. There are those who advocate the allocation of federal funds to the states, to cover the expenditures of several sectors (education, health, farming and livestock, etc.), although these sectors would call for as much as 150 percent of the federal budget.

Assembly Trends Viewed

PY121620 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 May 87 p 5

[Text] Should the proposals and opinions of the coordinators of the 24 subcommissions [of the Constituent Assembly] prevail in the final draft of the new constitution, the left will have won the first round of the battle between nationalization and privatization. The proposals will greatly restrict freedom of initiative: the number of monopolies will increase, a market reserve for industries that demand high technology (in addition to the computers industry) will be established, foreign enterprises will find it more difficult to establish themselves in Brazil, interest rates will be limited, business capital will be "democratized," and employees will receive a share of the profits made by their employers.

Judging from the first proposals made for the new constitution, there is great concern over distribution, but little is said about how the state will acquire the resources that it will be spending. It seems that in the theoretical defense of the worker the basic principle, which maintains that the leviathan state lives precisely on the money earned by that worker, has been forgotten. The preliminary drafts of the final Constituent Assembly proposal, which will be collected tomorrow, exactly 100 days after the assembly started functioning, are concerned about distribution, but it seems that the basic lesson -- that one can only distribute what one can produce -- has been forgotten.

The coordinators, pressed by the approaching deadline, did not even have a chance to look through the suggestions submitted between 24 March and 6 May -- a partial count totaled 9,456 proposals made on 8 May alone. Last weekend, Ulysses Guimaraes, president of the Constituent Assembly, was still receiving suggestions while the coordinators gave their opinions without taking these new proposals into account.

From a political viewpoint, the opinion of the coordinators suggests a constitution that leans toward a mixed government system, somewhere between a parliamentarian and presidential system with less powers for the president of the Republic, but still guaranteeing him the right to direct elections. The National Congress' main prerogatives, which were usurped during the authoritarian period, will be restored.

The Armed Forces will maintain their right to intervene in the country's internal defense, but only at the president's request and after he has consulted Congress. This consultation must be made within a period of 24 hours (72 hours should Congress be in recess and in which case it will be summoned for a extraordinary session).

Still in the political field, in addition to direct presidential elections and a mixed parliamentarian system, the constitution would provide for a 5-year presidential term (even for Sarney). Congress will recover its main prerogatives, participating in drawing up the budget. The decree will also abolish the time default mechanism which deliberately delays discussion of a bill before rejecting it.

Regarding military issues, any domestic action would be subject to a presidential request. This request would come only after having consulted with Congress. This will put an end to the value excuse of "safeguarding law and order," to the National Security Law, as well as to the status [preceeding word in English] of minister for the heads of the Armed Forces staff, the SNI [National Intelligence Service], and the military cabinet. The idea of creating a Defense Ministry has been rejected, as has suffrage for soldiers and military service for women and clergymen.

CORRECTION TO BRESSER INTERVIEW ON SOLUTIONS

The following corrections pertain to the item headlined "Interviewed on Economic Solutions," published in the 30 April Latin America DAILY REPORT, page D 2:

Paragraph two, line nine: ...feeds on inflationary expectations. In the meantime...(changing word "factors" to "expectations");

Paragraph nine, line three: ...are necessary. We again have the problem of inertial inflation [inflacao inercial]. We need to...(inserting word "inertial," supplying vernacular, and deleting phrase "which has gained inertia again.);

Paragraph thirteen, line five: ...This, however, is only a component in the...(deleting word "the" and inserting word "a");

Paragraph thirteen, line twelve: ...heroic solution. Reasonably balanced relative prices are the...(changing word "balance" to "balanced" and inserting word "relative")

TERRORIST ARRESTED IN RANCAGUA, EXPLOSIVES SEIZED

PY120142 Santiago Domestic Service in Spanish 2300 GMT 11 May 87

[Text] A terrorist has been arrested and an arsenal has been seized in the 6th Region. Following is a report by Radio Nacional de Chile in Rancagua:

[Begin relay] In a communique addressed to the public, the office of the 6th Region intendant reports the following:

1) Today, 11 May 1987, the National Intelligence Center [CNI] placed at the disposal of the office of the military prosecutor in Rancagua a member of the so-called Manuel Rodriguez Patriotic Front [FPMR] who was charged with violating the law on the control of arms and explosives.

2) The identity data of the detainee follows: Name: Hugo Eugenio Cerda Bravo; identity card No 10,318,410/k; date of birth: 13 March 1966; profession: laborer; marital status: married; alias: (Queno) and Manuel; political memberships; FPMR militant.

3) The suspect was arrested on 7 May 1987 by Carabineros of the 3d police precinct in (Colla). Cerda Bravo was involved in a crime perpetrated on 6 October 1986. He was handed over to the CNI in Rancagua. The CNI will continue the investigations to determine Cerda Bravo's contacts and the origin of the explosives found in his possession.

4) Cerda Bravo, an FPMR militant since 1986, buried the following explosive material near the El Cobre road for future terrorist actions in the area: four TNT sticks, weighing 0.250 kg each; eight No 8 detonators; 15 meters of fuse; and 12 meters of detonating cord.

5) This regional intendant's office reports that both the police and the security organizations are carrying out their mission of ensuring the tranquillity and security of the people of the 6th Region.

This was the text of the official communique released by the office of the 6th region intendant. This was a report by Radio Nacional de Chile from Rancagua. [End relay]

'UNKNOWN PERSONS' ATTACK, DAMAGE CNI POST

PY130307 Paris AFP in Spanish 0219 GMT 13 May 87

[Text] Santiago, 12 May (AFP) -- Unknown persons tonight attacked, with explosives and submachinegun bursts, premises belonging to the National Intelligence Center [CNI], the political police of President Augusto Pinochet's government, causing serious damage.

The semiofficial news agency ORBE has reported that four subversive criminals threw two bombs at the premises and that the attack was repelled with submachinegun bursts. No report on victims has been released.

People living in the Nunoa District, east of Santiago, have reported that three powerful explosions were heard in the neighborhood of the CNI post, which is located in the Jose Domingo Canas sector. It has been reported that security agents defused two other devices that were thrown at the post but failed to explode.

A large police patrol and members of the security services are carrying out intense operations to discover the perpetrators of the attack, who fled in a pick-up truck. No organization has claimed responsibility for the attack, although similar actions have been carried out by the clandestine leftist Manuel Rodriguez Patriotic Front, which the government says is linked to the proscribed Communist Party.

SHOOTING, LOOTING REPORTED DURING BLACKOUT

PY021811 Madrid EFE in Spanish 0427 GMT 2 May 87

[Text] Santiago, 1 May (EFE) -- A number of attacks, claimed by the FPMR [Manuel Rodriguez Patriotic Front] organization, caused a blackout throughout a large portion of Chile. The blackout occurred a few hours after General Augusto Pinochet gave a speech emphasizing the "unity and fraternity" that prevailed on Labor Day. During the blackout, shooting was heard throughout Santiago, and several grocery stores in poor neighborhoods were looted. Other incidents occurred, but no victims were reported.

The blackout, which occurred on Friday at 2124 and affected a 1,200-square kilometer area, was claimed by a person who identified himself as a spokesman for the "Manuel Rodriguez Patriotic Front." In a telephone call to international news agencies, the spokesman, who identified himself as "Jorge Salas," stated that the blackout was caused by knocking down three high-voltage electricity towers.

Strong explosions and shooting were heard in Santiago's suburban areas during the blackout, while in other districts barricades and bonfires were set up on some streets. In poor neighborhoods, especially in northern Santiago, grocery stores were looted and vehicles were stoned. Sources at the state-owned railroad enterprise also confirmed that some trains from southern Chile were stoned while entering the stations, and that other trains could not leave Santiago for the same reason.

Several districts in Santiago remained blacked out after 2300 (0300 GMT on Saturday). The same was true for some cities in the provinces, according to radio reports broadcast in Santiago.

On the morning of 1 May, the military government held an official ceremony in Valdiva (800 km south of Santiago) to commemorate Labor Day. The main speaker was General Pinochet. At the ceremony, the chief executive emphasized that "the efforts of creative liberty and the spirit of progress of Chileans have made it possible for the country to show a face different from the one it had before 1973." In addition, the chief executive stated that "Chile is now looking toward the future with confidence."

During his speech, Gen Pinochet stated that "while celebrating Labor Day within this atmosphere of joyous comradeship, we cannot but compare this present atmosphere of unity and fraternity with the hatred and violence of past decades."

JUNTA ABOLISHES CNI AGENTS' POWERS OF ARREST

PY130338 Paris AFP in Spanish 0244 GMT 13 May 87

[Text] Santiago, 12 May (AFP) -- Interior Minister Ricardo Garcia today announced that the government junta in Santiago has approved the law reducing the repressive powers of the security agents of the National Intelligence Center (CNI).

In its capacity as legislative branch, the Junta, which includes high-level representatives of the Armed Forces and the Carabineros militarized police force, abolished the law that authorized the CNI to arrest members of the opposition who advocate subversive violence, in compliance with Article No 24 of the Constitution enacted by President Augusto Pinochet.

The new law has canceled those powers the CNI had and has eliminated 11 special detention centers the CNI maintained for violators of the constitutional law. Article No 24 will remain in force, but the arrests ordered by President Pinochet will now be carried out by other police branches. The CNI still has the power to arrest persons considered to be accomplices or perpetrators of terrorist actions and those who violate national security, according to Minister Garcia.

EXILED LAWMAKERS RETURN, SEEK COURT PROTECTION

PY130256 Santiago Radio Chilena in Spanish 2300 GMT 12 May 87

[Text] Julieta Campusano and Mireya Baltra, former Communist Party lawmakers who unexpectedly turned up this afternoon at the apellate court in Santiago to file a petition for protection, are now at Ruth Baltra's house in Nunoa district.

The two women, who lived in exile for nearly 13 years, clandestinely entered Chile on 20 March through the Andean pass of El Tronador in the 10th region. After holding a press conference, Mireya Baltra and Julieta Campusano, who were banned from entering Chile, appeared in court to personally sign the petitions for protection. Mireya Baltra, a former labor minister and lawmaker, stated that she was very happy and moved to be in Chile again, and after stating that she does not fear anything, gave an account of her return to Chile with Julieta Campusano.

[Begin recording] [Baltra] [in progress]...happy, satisfied. I feel more Chilean now, after this return to my fatherland and my people, their struggle, and their combat. This is the emotion of a woman who has struggled for the best causes.

[Reporter] Through what pass did you enter the country?

[Baltra] We entered through an Andean pass.

[Reporter] How long have you been in Chile?

[Baltra] We have been in Chile since 20 March. We entered Chile through an Andean pass near Bariloche [Argentina]. We rode horseback for 10 km. Well, here we are. We received great solidarity from all Argentines; we do not want to give their names.

[Reporter] In what countries have you been living in exile?

[Baltra] In Argentina. I formerly lived in Cuba.

[Reporter] And Campusano?

[Campusano] I was living in the Netherlands. I have been in several countries but I established residence in the Netherlands.

[Reporter] Julieta Campusano, how long did your exile last?

[Campusano] Twelve years and 11 months.

[Reporter] And yours, Baltra?

[Baltra] The same as Julieta's. We left together and we returned together. [end recording]

After reading a statement advocating the end of exile, the two women, who were surrounded by journalists, friends, and curious people, immediately left the courts through the Bandera Street door. The Carabineros investigative police were not present and the two former lawmakers took a taxi to the Chilean Human Rights Commission, located at the intersection of Huerfanos and Almirante Barroso Streets.

Attorney Enrique Kraus, who, along with Jaime Castillo Velasco [president of the Chilean Human Rights Commission], filed the petitions for protection, then said that the two communist militants are under the protection of the apellate court until a ruling is handed down on the petitions for protection.

[Begin recording] [Krauss] Right. They contacted us to ask us to defend them. We told them we would do so, and we met them here today at the courts, where we had the pleasure of greeting them after many years. We told them that beyond any doctrinal or ideological difference, we respect the basic principles which we, as lawyers, are trying to implement.

[Reporter] Mr attorney, what charges...

[Krauss, interrupting] No. In our opinion they have not entered the country illegally. Any measure that might be taken against them will not have any legal ground, even under the current legislation. We think that no measures are in order. Thus, they are now in Chile without any restrictions and, for the time being, fearing that the government might adopt measures, they are under the protection of the apellate court through the petitions for protection filed today. [end recording]

Afterward, attorney Castillo Velasco was given assurances by Interior Ministry officials that the two women would not be summoned by the police as long as the apellate court does not rule on the petitions for protection. This information was confirmed later by Interior Minister Ricardo Garcia, who said the government is studying the situation of the two former lawmakers.

Baltra, Campusano Banished

PY130259 Paris AFP in Spanish 0103 GMT 13 May 87

[Text] Santiago, 12 May (AFP) -- AFP has been told by their relatives that Mireya Baltra and Julieta Campusano, former Chilean communist congresswomen, were banished tonight to the remote regions of Puerto Aysen and Sierra Gorda, respectively, after returning clandestinely to the country. The relatives said that the banishment was ordered by the military government and that the two women were told of the order by members of the Investigative Police.

Mireya Baltra, 55, a former deputy and labor minister in the government of the late President Salvador Allende, has been banished to Puerto Aysen, 1,800 km south of Santiago, while former Senator Julieta Campusano, 69, has been banished to Sierra Gorda, 1,400 km north of Santiago, a desert sector near the Chuquicamata Mine.

MIR EXECUTIVE BOARD ISSUES COMMUNIQUE ON SPLIT

PY120353 Santiago LA EPOCA in Spanish 7 May 87 p 10

[Text] In a communique signed by the National Executive Board of the Movement of the Revolutionary Left (MIR), MIR states that, "opposing all democratic standards and common sense, a group of leaders, headed by Comrades (Andres) Pascal and (Osvaldo) Aguilo, has decided 'to expel' most of the members of the central committee, which is struggling in Chile, and more than 80 percent of the midlevel cadres both in Chile and abroad; that is, most of the party."

According to the communique, this action took place during the Fourth MIR Congress.

The communique adds that "as this decision is illegal and arbitrary, it has been disregarded, since it would not allow the completion of a congress that included all the MIR militants."

According to the communique, this explains why a "so-called MIR national secretariat -- representing the line supported by Pascal Allende -- has sent letters to the mass media, stating that the MIR is not represented in the MDP [Popular Democratic Movement], which has reportedly been joined by a MIR-Renewal faction (MIR-R).

The communique states: "We ask the popular movement and the leftist political forces not to be deluded by this sectarian faction and to have confidence that the MIR, which was founded by Miguel Enriquez, will be able to resolve and overcome its internal crisis."

The communique is a new link in the chain of successive mutual accusations between the two sectors into which the leftist political-military organization is currently divided: the Pascal Allende sector, which has a tendency toward clandestine guerrilla warfare and is concentrated in a "clique;" and the domestic sector in Chile, which supports the party's relationship with the popular social sectors, thus making the MIR more "open." The latter is the trend represented by the MDP and it has been recognized as valid by the MDP.

FACH PLANS TO BUILD AIR BASE IN ANTARCTICA

PY060335 Santiago LA TERCERA DE LA HORA in Spanish 26 Apr 87 p 5

[By special correspondent]

[Excerpts] Punta Arenas -- General Fernando Matthei, the Chilean Air Force [FACH] commander and member of the Government Junta, has announced that Chile will build a new base in the Antarctic. If this project is carried out, the base will be built in the Ellsworth Mountains, just 1,000 km from the South Pole.

General Matthei explained that the plan calls for the construction of a landing strip, which means that planes will have to be equipped with skids. [passage omitted]

OIL PIPELINE OPERATION WITH ECUADOR LAUNCHED

PA082233 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 8 May 87

[Text] Ecuador has resumed its oil exports with the inauguration of the stretch linking the Ecuadoran and Colombian oil pipelines. Ecuadoran President Luis Febres Cordero and Colombian President Virgilio Barco met this morning to inaugurate the link. Here is a report by Ricardo Canon:

[Reporter Canon] The Colombian Government today said it estimates the profits it will receive from the transportation of 35 million barrels of Ecuadoran oil through the trans-Andean oil pipeline at $26 million, or 6.24 billion pesos. The agreement signed today by Presidents Febres Cordero and Barco also calls for the immediate execution of joint oil exploration and exploitation projects in their countries' frontier areas.

The two heads of state met today in the town of Lago Agrio, Ecuador, to officially place in operation the stretch of the Colombian-Ecuadoran oil pipeline, which is approximately 36 km long and will connect the Lago Agrio and Orito oil fields. Ecuador will pay for all transportation and shipping costs of oil, at the rate of 75 cents a barrel, and will pay other percentages for mixing the oil from the two countries. The agreement was signed for 5 years, with a renewal option. At the beginning, 35,000 barrels will be pumped daily -- 20,000 barrels of Ecuadoran oil and 15,000 of Colombian oil. The volume will be gradually increased to 60,000 barrels a day, with no change in the volume of Colombian oil.

PEASANT EXODUS PREDICTED WITH CONTINUED CLASHES

PA121516 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 12 May 87

[Report by Marcos Perales Mendoza]

[Text] Bucaramanga -- Continuous clashes between the Army's 5th Infantry Brigade units and guerrilla groups will cause peasants to flee from northwest Antioquia, away from Middle Magdalena toward Medellin.

Peasants from San Francisco, on the border between Antioquia and Bolivar, reported ongoing clashes between (?Nueva Granda) Antiaircraft Battalion and members of the ELN [National Liberation Army] and the FARC, endangering the property and possessions of at least 1,000 peasants, including men, women, and children.

BRIEFS

COCAINE CONFISCATED -- Judicial Police agents yesterday seized 13 kg of cocaine, hidden in a suitcase and in a handbag, at El Dorado Airport. The operation was supervised by officials from the Attorney General's Office. This is the second drug confiscation this week at El Dorado Airport. [Text] [Bogota EL SIGLO in Spanish 1 May 87 p 1 PA]

HOSPITAL DE CLINICAS PERSONNEL DECLARE STOPPAGE

PY121942 Asuncion HOY in Spanish 12 May 87 p 6

[Text] Yesterday Hospital de Clinicas personnel and medical students declared a work stoppage to demand the release of their colleagues who are under arrest and in repudiation of the events that took place in the Tavapy II colony last Sunday. The medical school board resolved to issue a protest note for the arrest of about 30 Hospital de Clinicas physicians, nurses, and medical students. These people were arrested while providing medical care to the residents at the Tavapy II colony in Alto Parana.

The note from the medical school board, which is chaired by Dean Dr Luis Alberto Reyes, refers to the events that took place on Sunday 10 May "when a group of physicians, nurses, and medical students visited the Tavapy II colony to provide medical care to its residents. As they ended their humanitarian task, the entire group was surrounded by police forces. They were first taken to a detachment set up at a ranch nearby, and later to security guard headquarters in Asuncion, without any explanation."

The note adds that "we are indignant about this procedure because we consider it to be arbitrary and a violation of the right of citizens to help their fellowmen, in this case, the plight of these peasants.

"We firmly protest this procedure which disrespects our rights as free citizens who feel responsible for the affairs of the country, where mutual respect should be the norm of coexistence," the note issued by medical school board says.

In conclusion, the note states that "we hope that procedures such as this will not be repeated in light of recent government resolutions that guarantee legitimate activities related to the free exercise of our rights."

The stoppage declared by the three organizations -- Hospital de Clinicas physicians, Hospital de Clinicas personnel, and medical students -- will be in force until 0900 this morning, when a new joint assembly will convene to evaluate developments. It was said yesterday that unless Dr Carlos Filizzola, Dr Jorge Querey, Dr Enrique Bella Bella Sai, and Orderly Nemesio Miranda are released, the stoppage will continue. Lilian Soto said yesterday that the medical students center will hold an extraordinary assembly at 0800 this morning. Both the medical students center and the Medical Students Front (FEM) have condemned "the repressive procedure that reveals the falsehood of a supposed liberalization in the country."

BRIEFS

AIDS CASES REPORTED -- A homosexual from the city of Caacupe is suspected of having AIDS. He is hospitalized at the Central Laboratory and Tropical Medicine Institute. This report could not be confirmed. The youth, whose disease was confirmed yesterday, may leave the hospital within 1 week if he recovers from his current bout with meningitis. [Excerpt] [Asuncion ULTIMA HORA in Spanish 5 May 87 p 13 PY] -- A 33-year-old homosexual is the third fatal AIDS case registered in Paraguay. The patient, who had been transferred from a private hospital, died 4 days after he was brought to Tropical Medicine Institute. So far, five AIDS cases have been registered in our country. [Summary] [Asuncion ULTIMA HORA in Spanish 11 May 87 p 8 PY]

NEW AMBASSADORS APPOINTED -- The Paraguayan Government yesterday appointed Navy Captain Raul Julian Fernandez Coronel Paraguayan ambassador to Chile, and Anibal Fernandez Paraguayan ambassador to Italy. [Summary] [Asuncion HOY in Spanish 12 May 87 p 7 PY]

POLICE DEFUSE EXPLOSIVE DEVICES UNDER BRIDGES

PY122144 Madrid EFE in Spanish 2116 GMT 12 May 87

[Text] Lima, 12 May (EFE) -- This morning Peruvian police defused three explosive charges, each containing 1/2 kg of dynamite. The charges had been placed under two bridges and in a cooperative.

All three explosive charges were found covered with flags of the Peruvian Communist Party and of the Shining Path, police have reported.

Police explosive experts believe that if the bombs had gone off they would have caused serious damage.

8,000 PETROPERU WORKERS SUSPEND 20-DAY STRIKE

PY111650 Lima Panamericana Television Network in Spanish 0400 GMT 10 May 87

[Text] The indefinite strike that Petroperu [State Petroleum Agency] workers began 20 days ago has been suspended. Consequently, all Petroperu personnel will return to work. This information was released today by Peruvian Oil Workers Federation leader (Hugo Suyon), who warned that the strike will be resumed if an agreement is not reached with the government.

Some 8,000 Petroperu workers went on strike over salary demands. The strike was declared illegal and workers leaders were asked to settle the conflict through a dialogue. The ministers of labor and energy and mines said that they would meet the demands if the strike were lifted.

TERRORISTS ATTACK NORTHERN REGION, KILL TWO

PY122128 Paris AFP in Spanish 1652 GMT 12 May 87

[Text] Lima, 12 May (AFP) -- The Civil Guard in Lima today disclosed that terrorist attacks perpetrated on 11 May on Condebamba and Huacho regions resulted in two dead, one wounded policeman, and a blackout.

Officials stated that the first attack was perpetrated by a group of more than 10 Shining Path members that occupied Condebamba District, Cajamarca Department, and killed Francisco Bata, head of the peasant self-defense groups, and his son Ernesto. The attack was perpetrated after authorities had observed an increasing activity of subversive groups in that region some 800 km northeast of Lima.

In Huacho, 130 km to the north, seven towns in the region were left without electricity yesterday after an electrical tower was blown down. During the blackout a terrorist commando attacked the Civil Guard post near Paramonga town.

As a result of the shootout, Corporal Trinidad Barba was wounded. Barba was taken to the police hospital in Lima. It was disclosed that this attack was perpetrated by six young men and a woman.

The police reported from Ayacucho, 575 km southeast of Lima, that an Agriculture Ministry van was completely destroyed yesterday after passing over and detonating a terrorist mine on the Huanta-Razuhuillca highway. The people in the van were unharmed.

'PRESUMED' SHINING PATH TERRORISTS KILL POLICEMEN

PY071451 Madrid EFE in Spanish 0037 GMT 7 May 87

[Text] Ayacucho (Peru), 6 May (EFE) -- It was reported today in Ayacucho that one policeman was killed and another was seriously wounded when they were attacked by four presumed members of the Maoist "Shining Path" organization during the day in the city of Tambo, Ayacucho Department.

The two civil guards were leaving a restaurant after having breakfast and were heading for the police station located in front of the main square in Tambo, a town located 90 km from Ayacucho, to fulfill their duties when they were surprised by the terrorists.

The attack occurred yesterday. According to police sources, there was a woman among the attackers, who seized the policemen's weapons. The name of the dead policeman is Walter Banzer. The injured policeman, whose identity was not revealed, was hospitalized in Tambo.

Patrols made up of military and policemen conducted raids after the attack, arresting some 40 people who are suspected of being involved.

Three Republican Guards, who were on duty at the "Daniel Carrion" Hospital, were also shot dead by terrorists disguised as doctors on 2 May in El Callao, Lima's port.

CURFEW, STATE OF SIEGE 'POSSIBILITY' DISCUSSED

PY062315 Madrid EFE in Spanish 1957 GMT 6 May 87

[Text] Lima, 6 May (EFE) -- The government of Peruvian President Alan Garcia is considering the possibility of declaring a state of siege and of expanding the current curfew hours because it fears an offensive by the Shining Path organization when it marks its seventh anniversary, two leftist newspapers said today.

The meetings held by President Garcia with Joint Staff members in the wake of the attacks perpetrated on the evening of 4 May were apparently designed to formulate a new antiterrorist strategy.

Although there was no official information on the topics discussed by Garcia with the commanding officers, the morning newspaper LA VOZ said that on 5 May Admiral Juan Soria, chief of the Joint Staff, briefed the president on the scope of a new plan.

The antiterrorist plan, which was drafted by the National Defense Council, includes "the possibility of imposing a state of siege nationwide," LA VOZ said.

In 1983, the government of former President Fernando Belaunde Terry decreed a state of emergency -- a milder measure than a stae of siege -- in the departments of Ayacucho, Huancavelica, and Apurimac, where the armed group Shining Path has been most active.

In February 1986, President Garcia extended the state of emergency to Lima and to the neighboring province of El Callao and placed these areas under a curfew from 0100 to 0500. The morning newspaper CAMBIO said the new antiterrorist plan provides for the extension of the curfew from midnight to 0600.

CAMBIO contended that terrorist violence has intensified since the establishment of the curfew hours.

EL POPULAR, another Lima newspaper, has said that War Minister Jorge Flores Torres admitted that the Joint Staff is preparing a new antiterrorist strategy for the emergency zone.

President Garcia called an urgent meeting of the National Defense Council in his office right after a widespread blackout affected Lima and nine Peruvian departments last Tuesday night and in the wake of a wave of dynamite attacks against more than a dozen public and private buildings in the Peruvian capital.

Military intelligence sources have blamed the Shining Path for the blackout, which was caused by knocking down high tension towers, and for the attacks.

These attacks were described as the most serious this year. Three police officers were also murdered in a hospital of El Callao last Saturday night; and two high-ranking officers and five civilians also died last month when a restaurant was machinegunned in downtown Lima.

Several media organizations [words indistinct] the military alert and redoubled security in key buildings fearing that there might be an escalation of attacks by the Shining Path or by the Tupac Amaru Revolutionary Movement (MRTA), the two active armed groups in Peru.

The concern and precautionary measures taken by the government and by the military stem from the upcoming seventh anniversary of the Shining Path.

It was on 18 May 1980, in the township of Chuschi, that the Shining Path burned ballot boxes containing votes from the election won by Belaunde Terry.

Since 1980, the Shining Path members have always intensified their offensives in May. This year it could be worse because, according to documents of this Maoist organization, the seventh anniversary will mark the initiation of a new stage defined as the armed struggle.

The special antiterrorist alert also stems from the fact that exactly one month later, it will be a year since the slaughter at the Lurigancho and El Fronton prisons, where Army and, Navy personnel killed approximately 300 inmates charged with terrorist activities.

IU SENATOR REPORTS MURDER OF 16 PEASANTS 7 MAY

PY071559 Buenos Aires TELAM in Spanish 0203 GMT 7 May 87

[Text] Lima, 7 May (TELAM-DPA) -- Communist Senator Cesar Rojas Huaroto, United Left (IU) [Socialists and Communists Coalition] representative at the Senate, today reported the murder of 16 IU militant peasant leaders. They were killed during an antisubversive operation, organized by the Interior Ministry and personally commanded by Interior Deputy Minister Agustin Mantilla. Mantilla was supported in the operation by military and police contingents, although the region where the operation was conducted has not been declared in a state of emergency.

The antisubversive operation, which the authorities have called Ciclon, was conducted in the Peruvian northwestern region. According to Rojas Huaroto, almost a hundred peasants were arrested during the operation.

Rojas Huaroto emphasized that, in accordance with the Constitution, military forces can only take part in antisubversive operations in regions declared to be in a state of emergency.

The Communist senator stressed that, before presenting charges on the murder of the 16 peasant leaders to the Interior Ministry, he asked Interior Minister Abel Salinas for information on this killing, because, so far, there has ot been an official report on this operation.

HIGHWAY PLANNED WITH BRAZILIAN CREDIT

PY122158 Madrid EFE in Spanish 0722 GMT 12 May 87

[Text] Lima, 12 May (EFE) -- Deputy Minister of the Presidency Jose Caceres announced last night that the Iquitos-Nauta Highway in the Peruvian Amazon will be built with a $40-million credit granted by Brazil.

Caceres explained that the credit will be granted under an agreement signed between the two countries, and that Peru will repay it through the counter-trade system, exporting its products.

He estimated that construction work on this highway, which will open 150,000 hectares to agricultural and livestock activities in the Amazon region, will begin in 3 or 4 months, after negotiations are concluded with the Development Corporation of Loreto, the department the highway will pass through.

Caceres also announced that Peru is planning to import livestock from Brazil to increase meat consumption and to raise beef cattle on high quality pastures in the region.

BRIEFS

INFLATION RATE INCREASES -- Lima, 1 May (EFE) -- The National Institute of Statistics (INE) today reported that in April 1987, the inflation rate in Peru increased by 6.6 percent. INE head Graciela Fernandez Baca reported the cumulative inflation rate over the first 4 months of 1987 totaled 26.3 percent. Over the past 12 months, the cumulative inflation rate reached 71.5 percent, Fernandez Baca added. In March 1987, the inflation rate increased 5.3 percent. [Excerpt] [Madrid EFE in Spanish 0302 GMT 2 May 87 PY]

AIDS CASES REPORTED -- Lima, 3 May (AFP) -- Raul Patruco, the president of the AIDS technical commission, confirmed today in Lima that at least 42 AIDS cases have been reported in Peru. Of the 42 cases, 30 have resulted in the death of the patient, while the other 12 are sentenced to a slow, painful death, said Dr Patruco. Patruco, along with 8 other doctors who specialize in AIDS, is a member of a commission that certifies and evaluates AIDS cases. [Excerpts] [Paris AFP in Spanish 1958 GMT 3 May 87 PY]

OIL FIND REPORTED -- Petroperu President Haysuno Abramovich announced today the discovery of new oil at well "Ciriaco I" Southeast, lot 1AB, in the jungle area. The well produces 3,000 barrels a day and its proven reserves are 5 million barrels. [Summary] [Lima Television Peruana in Spanish 0100 GMT 8 May 87 PY]

COMMISSION CREATED TO HELP REPATRIATED WORKERS

PA092110 Mexico City EL DIA in Spanish 4 May 87 p 3

["Text" of communique issued by the Government Secretariat]

[Text] Tomorrow, 5 May, the period begins in which illegal aliens in the United States may present their petitions to the U.S. authorities to legalize their status. However, this does not means that a mass deportation of Mexicans is about to begin.

The U.S. authorities have offered formal guarantees to the Mexican authorities that this will not occur.

Nevertheless, to deal with any contingency that may occur due to the imminent implementation of some measures established in the Law of Reforms to the Immigration Controls of 1986 -- Simpson-Rodino Amendment, the president of the Republic has given instructions to constitute an intersecretarial commission made up by the Government, and Foreign Relations, Labor, and Social Welfare Secretariats.

The objective of this commission will be to face in a coordinated way the consequences that the aforementioned law could have on the Mexican migrant workers in the United States who may be forced, or who decide, to return to the fatherland.

The commission will guarantee that the workers and their relatives find dignity and solidarity when they return to the country, as well as the opportunities to return to productive lives.

Mexican consuls in the United States have been instructed to offer the information and advice to the Mexicans, which will permit them to assert their rights.

At the border the Federal Government will implement, through the National and State Civil Protection Systems, the actions and measures it is necessary to provide to Mexican workers returning to national territory. This will be done through the intersecretariat commission, with the participation of the state and municipal governments.

These actions will be many and diverse. They will include guidance and juridical protection to the migrant workers in the United States; reception at the northern border with special installations and information manuals; and training of personnel to help the repatriated workers.

Other measures are: special security and vigilance mechanisms in the zones where the workers will be arriving; temporary lodging when required; supplies and medical attention; transportation to their places of origin or to the places they select; and information about sources of work in Mexico for this labor force.

Meetings will be held to unite criteria, policies, and detailed plans, and to assign responsibilities. The federal organizations directly involved in the effort to resolve this social problem, and the representatives from the governments in the border states and municipalities affected by this problem will participate in the meetings because, due to the nature of the problem, it requires the close cooperation and coordination of the mentioned institutions.

It is necessary to note the importance and significance of the participation in these common efforts by local authorities and all other sectors involved in this effort.

Subsequently, a series of work sessions will be held in the northern border states to design and implement the specific plans and programs for the basic public services to provide attention and transportation to the workers returning to the country.

JOINT COMMUNIQUE ON SEPULVEDA VISIT ANALYZED

PA122010 Mexico City UNOMASUNO in Spanish 8 May 87 p 18

[Editorial: "Mexico Expands Diplomatic Horizons"]

[Text] Another chapter in the history of rapprochment between Mexico and the USSR has ended with the visit of Bernardo Sepulveda to Moscow. As the joint communique emphasizes, this has been a "new and useful contribution to the strengthening of relations of cooperation and friendship." In this case, it is the link between two dissimilar social systems, not only in their formation and degree of development, but also in their understanding of the revolutionary processes which have occurred in each of the two countries. In spite of different cultures and geographical distances, there is no disagreement interpreting the international scene.

At a time when the neighboring country to the north tries to submit the Mexican political system to unprecedented pressures, our country tries to maintain a fruitful exchange with a great number of countries. Our diplomacy becomes richer with Sepulveda's visit to the USSR, strengthening independence, pluralism, and the universality of our foreign relations system. One of the essential prerequisites to the unrestricted and efficient practice of our sovereignty lies without doubt in the belief in diversifying and increasing bilateral links.

The political value of this trip represents a starting point to strengthen communication with the Soviet Government and at the same time to endorse the similarities which favor economic cooperation and efficient and useful consultation on the problems that disturb both countries. This point should be made clear to President Reagan, who recently stated that he would not allow the USSR to reach the United States through Mexico. He said this with an air of irritation and admonishment because of the presence in Moscow of the Mexican foreign secretary.

Mexico has her own deep reasons, which explains as a matter of principle and sovereignty her interest in diversifying her bilateral links. The goverment, for example, wants to avoid an armed conflagration on its Central American borders. Thus, the importance of the joint Mexico-USSR communique, which stresses that the solution to the area's conflicts should be based on "respect for the principles of nonintervention, peaceful coexistence, and especially the peoples' right to self-determination." It should be clarified that Mexico's mediation efforts in the region through Contadora are not to gain prestige, which has already been earned many times over.

At the same time, Mexico has not only taken a strong stance at international forums against the arms race and the banning of nuclear weapons, but has promoted new initiatives, like the Group of Six, which Shevardnadze valued in the communique by stressing "Mexico's outstanding active role" in disarmament matters. Faced with present growing tensions, Sepulveda's visit to the USSR confirms our country's stance in favor of peace, because that stance is based on a real and deep concern for the country's basic values and interests.

ANTIDRUG CAMPAIGN REPORTS 4-MONTH RESULTS

PA110400 Mexico City EL NACIONAL in Spanish 6 May 87 p 6

[By Virgilio Ramirez A.]

[Text] The permanent campaign against drug trafficking resulted in the destruction of one of the highest amounts of drug plants to date. More than 15,000 marijuana and poppy plants were destroyed and 1,839 kg of cocaine were seized in national territory in the first 4 months of this year.

These actions, carried out by the Republic's Attorney General's Office (PGR), took place between 1 January and 30 April. During that period, among the results, 2,929 people were taken before judicial authorities for crimes against health, and 221,798 kg of dried marijuana plants were seized.

This information is contained in a report called "Mexico's Effort," released yesterday by the Drugs Control Directorate. The report states that it does not include data on similar actions by the Mexican Army to destroy marijuana and poppy plantations.

The document points out that PGR personnel involved in operations against drug trafficking seized 44.1 kg of opium-like drugs (opium gum and heroin), and dismantled a laboratory and a farm with 15,594 drug plants on 1,385 hectares of land during that period.

The Drugs Control Directorate also reported the seizure of 514 vehicles, 12 aircraft, and 7 vessels caught transporting drugs on Mexican territory.

In addition, 682 firearms of various calibers were seized, and 1,677 trials involving arrested individuals have been conducted during the same period.

As for the cultivation of drugs, the report states that 10,649 poppy plants on 797 hectares, and 4,945 marijuana plants on 588 hectares were destroyed.

ARGENTINA SIGNS AGREEMENT TO BUILD GAS PIPELINE

PA111505 Mexico City XEW Television Network in Spanish 1300 GMT 11 May 87

[Text] Mexico and Argentina have signed an agreement to build one of the largest gas pipelines in South America. The pipeline will be 1,350 km long and will cost approximately $4,075 billion.

The gas pipeline will run from a spot in Patagonia to Bahia Blanca and Buenos Aires in Argentina. According to Carlos Guillen Bechelli, president of DEL GAS [expansion unknown] in Argentina, three Mexican companies will participate in the project. It is estimated that the construction work will be completed in 15 months.

FRANCE APPROVES 600 MILLION FRANC LOAN

FL120227 Mexico City NOTIMEX in Spanish 0035 GMT 12 May 87

[Excerpts] Mexico City, 11 May (NOTIMEX) -- The Mexican Finance Secretariat has reported that the French Government granted Mexico a 600 million franc loan to be used in several encouragement and growth program priority projects.

The credit was signed by Jose Angel Gurria, director general of public credit, who indicated that 240 million francs were granted by the French treasurer to be paid in 30 years with a grace period of 11 years, at a 2 percent annual interest rate. He added that the remaining amount was granted by French commercial banks, guaranteed by the French Government at preferential interest rates and terms, according to the conditions of the exports support credit agreement.

Among the projects to be financed are the Santa Martha-Pantitlan and Taxquena-Xochimilco metro lines, the extension of metro line No four, that goes from Santa Anita to Santa Ana, a trolleybus substation, water works, a telecommunications system for route No 100, and the metro network maintenance automatic system. [passage omitted]

The Finance Secretariat indicated that other priority programs include the modernization of the federal microwave network, the expansion of the data network, and the land portion of the Morelos satellite system. These projects are part of the Communications and Transport Secretariat's telecommunications modernization and expansion program and will receive 260 million francs. [passage omitted]

LEFTIST PARTIES PRT, LOM ANNOUNCE MERGER

PA062254 Mexico City EL DIA in Spanish 3 May 87 p 2

[Text] During the first working day of the 10th PRT [Revolutionary Workers Party] Central Committee Plenum, which was carried out behind closed doors, the party issued a press communique announcing the unification with the Workers Marxist League [LOM], "after accepting the terms of the agreement presented by the unification committee."

The communique states that the history of the LOM, founded in 1960, ends with its incorporation in to the PRT. The document adds that the unification process with the PRT began in September 1985 and was completed yesterday.

With the unification, five members of the former LOM Politburo were automatically included in the PRT Central Committee and were given full rights in the committee. "The five members are fully integrated into the deliberative work of the 10th PRT Central Committee Plenum," which began yesterday and will close on Monday." [quotation marks as published]

BRIEFS

AMBASSADORIAL CREDENTIALS -- President Miguel de la Madrid has received credentials from four new ambassadors. They are: German Carrera Damas, Venezuela; Orlando Gabela Torres, Ecuador; Ra Hyoun-tak, ROK; and Dashnor Dervishi, People's Socialist Republic of Albania. [Summary] [Mexico City EL NACIONAL in Spanish 23 Apr 87 p 12 PA]

ABADIA CLAIMS U.S. 'INTIMIDATION' ON CONTADORA

PA122129 Panama City ACAN in Spanish 2104 GMT 12 May 87

[Text] Panama City, 12 May (ACAN-EFE) -- Panamanian Foreign Minister Jorge Abadia today accused the United States of implementing a campaign to "intimidate" and "threaten" the Contadora Group countries. The Panamanian foreign minister added in a statement for ACAN-EFE that the campaign is aimed at "hindering the peace process in Central America."

Abadia said he was not surprised by the information published in the MIAMI HERALD reporting the U.S. Government's intimidation of several Latin American countries -- including Mexico and Panama, which are Contadora member countries -- to minimize their participation in the peace group. "This is nothing new," Abadia said, and recalled that "the [Panamanian] Foreign Ministry has been reporting for several months on the conspiracy" of several sectors in the United States.

Although he refused to give details of the "campaign to exert pressure," the Panamanian foreign minister said the United States implemented the campaign to "intimidate the Contadora member countries," and thus "render them inactive in the Central American peace process."

According to Abadia, another goal of the campaign was to "discredit" the Panamanian Government and its Defense Forces, particularly Commander in Chief General Manuel Antonio Noriega. Abadia added that the U.S. "campaign to exert pressure" sought to "discredit us" so we would "feel our capacity to maneuver within the Contadora peace process had diminished."

The Panamanian foreign minister insisted that the MIAMI HERALD reports are "not a secret, nor are they surprising," although the simple fact that this newspaper published them "has created a commotion" in public opinion. "There are various sectors in the United States that are not pleased with the Contadora Group's efforts because they do not fit in with U.S. plans for Central America," the Panamanian diplomat said. Abadia stressed that the reports from the United States "demonstrate that we (Panama) were telling the truth" regarding the Central American crisis.

When ACAN-EFE asked if it is true that Vice Admiral John Poindexter personally initiated the campaign to discredit Noriega, Abadia briefly answered: "That is correct."

Despite adverse factors Abadia said he believes "Contadora will emerge triumphant," and he urged the Cental American governments to "contribute all of their political will" to the Latin American peace effort.

Asked about the impossibility of arriving at an agreement while the United States continues to prevent negotiations, Abadia said "they (the United States) do what they believe is right, and we do what we think is right."

The Panamanian foreign minister said he has no proof the war in Central America is being promoted from the banks of the Panama Canal, where the U.S. Southern Command is based.

ABADIA ON U.S. NONCOMPLIANCE WITH TREATIES

PA102055 Panama City LA PRENSA in Spanish 10 May 87 p 1

[Report by Manuel Alvarez Cedeno]

[Text] During his statement before the Legislative Assembly's budget commission, Foreign Minister Jorge Abadia charged that the United States is allowing the canal to rapidly enter into an inoperable phase.

Minister Abadia said that widening the Gaillard Cut is one of the obligations the United States must comply with, stressing the urgency of this work because "the Panama Canal is rapidly becoming inoperable."

Abadia's statement has been included in a report prepared by the Legislative Assembly's budget commission. Abadia and Fernando Manfredo, deputy administrator of the Panama Canal Commission [PCC] spoke before the members of that commission on 30 April.

On that occasion, Abadia said that, according to the canal treaties, the United States is responsible for maintenance and for making the necessary improvements to ensure the canal is operational at all times.

Abadia also said the United States has committed itself to handing over the canal in useful condition; the contrary would imply additional costs for the Panamanian Government.

However, although the United States must assume the necessary costs to keep the Panama Canal operating efficiently, the U.S. Congress, through Law 97-70, has conditioned the financing and maintenance to the income obtained from the canal activities, Abadia said.

"This action relieves the U.S. Government of an obligation that is clearly stated in the Torrijos-Carter Treaties, and it openly violates those treaties."

In view of that situation, the Foreign Ministry believes that seeking alternate means for financing the maintenance of the waterway and carrying out the works that are necessary for its efficient operation would be tantamount to allowing U.S. noncompliance of Article III of the Torrijos-Carter Treaties. This article commits the United States to operate and maintain the canal, its works, installations, and auxiliary equipment; and to provide the necessary tools that will guarantee the smooth transit of ships through the canal.

Abadia stressed that even if Panama had the economic and financial means to carry out those works, to do so would be a mistake because it would be contributing to the U.S. noncompliance with the commitments it acquired through the canal treaties, which would set a precedent for not complying with other commitments.

An important point, which could be considered a serious accusation, was Minister Abadia's remarks that the Panamanian president "has not been able to convince the U.S. Government that they should adopt the political decision to comply with the treaties," despite the efforts and actions conducted, particularly in relation to the widening of Gaillard Cut.

Abadia strongly criticized Law 96-70, stating that it has hampered compliance with the Torrijos-Carter Treaties.

On the same subject, PCC Deputy Administrator Fernando Manfredo said the situation presented by Abadia constitutes both an economic and political problem.

In explaining his words, Manfredo said the political problem stems from the way in which President Jimmy Carter presented to his people the convenience of signing the treaties, because he -- Carter -- said the agreements would not mean any cost to the U.S. taxpayers.

Manfredo added: Carter's promises were turned into legal limitations through Law 96-70 -- approved by the U.S. Congress -- which states that the canal must be self-sufficient and its expenses cannot be defrayed with funds other than those acquired through the canal itself.

Fernando Manfredo also mentioned there is currently a draft bill in the U.S. Congress that proposes modifications to the budget and financial procedures applicable to the PCC.

The draft bill seeks to change the status of the PCC from an institution the Federal Government assigns specific funds, to an agency with rotating funds. This will give the PCC more financial flexibility by permitting more freedom in the use of its funds.

However, this will not represent a substantial change to U.S. obligations regarding the canal, Manfredo added.

In addition, Manfredo said there is no draft bill that will modify the Murphy Law (96-70) significantly. However, he said he understands the U.S. Government is willing to sit down and talk, at the consultative committee level, about Panama's objections to Law 96-70.

U.S. 'PLAYING WITH FIRE' BY SUPPORTING REGIME

PA130026 Panama City EXTRA in Spanish 12 May 87 p 1

[Editorial: "Playing With Fire"]

[Text] The U.S. Government simultaneously points out the network of corruption prevailing in Panama and, for "strategic reasons," hands out money to those denounced by that very same government. This "strategy" is like playing with fire because it maintains a rigid dictatorial structure that could explode unexpectedly, seriously harming both Panama and the United States.

By cramming the Panamanian Government's Treasury full, well knowing that a substantial portion of this money will end up in someone else's pockets, the U.S. Government either unwittingly or for lack of sensitivity is putting into the hands of public officials, those called to administer justice, an instrument that could prove the ruin of Panama's financial center if this instrument is misused.

The drug traffic law authorizes preliminary investigation officials to investigate any bank account in Panama through the simple request, and nothing else, of a foreign government. According to this law, the foreign government involved does not even have to give a reasonable explanation for the investigation requested. The U.S. attorney general has more power to investigate bank accounts in Panama than he has to investigate bank accounts in his own country, because in the United States he must first justify such a request prior to taking any action. If Panamanian preliminary investigation officials can proceed on the request of a government without the government first establishing the cause for the request, it follows that these officials can do the same on their own because it would be ridiculous for a foreigner to have power in Panama which a Panamanian official does not already have. This would send bank secrecy to the trash bin.

A list of the murdered and outraged people, expropriated properties, thefts, and corruption in all sectors of the state would be too long to be included here. To this, the government's defenders and employees reply: "Justice will be administered;" "He who has done nothing wrong need not fear anything." What would the Spadafora family reply to this official? Where are those who imported $60 million worth of raw materials to manufacture cocaine? Where are those who set up a cocaine laboratory in Darien?

Let the thousands and thousands of outraged Panamanians who have been persecuted and banned from the country and whose properties have been stolen, be asked about this. Let the businessmen who pay kickbacks to do business be asked about this. They feared, but should not have had to.

The U.S. Government plays with fire by supporting a military dictatorship in Panama because, according to that government's foolishness and stupidity, this is the best for its international interests. We could be witnessing the collapse of our international banking center, not because of the drug traffic law, but because of our lack of faith in our judicial and police systems. This will benefit the three other international banking centers, a few miles away in the Caribbean. Through the legal instrument against drug trafficking that the United States praises so much, we are witnessing the beginning of a new era of corruption, blackmail, and outrages, all of which will devastate the Panamanian banking center.

U.S. PRAISES PANAMA FOR DRUG-TRAFFIC ASSISTANCE

PA080448 Panama City Televisora Nacional in Spanish 0000 GMT 8 May 87

[Text] Attorney General Carlos Augusto Villalaz today said that his U.S. counterpart, Edwin Meese III, has praised Panama for its assistance in "Operation Pisces," which is considered the largest and most successful covert investigation in the history of the federal drug authorities.

A total of 115 members of two coast-to-coast drug organizations and other drug and money laundering groups have been arraigned in 17 courts under 30 unsealed indictments in Los Angeles, Miami, and New York.

According to the U.S. attorney general, the Panamanian law-enforcing authorities are to be praised for their exceptional initiatives and actions. According to Meese, the United States is very grateful to the Panamanian authorities for their outstanding work. Their actions send a clear signal to narcotic traffickers who will see that Panama -- according to the new laws on money laundering -- will not tolerate such actions by them.

Attorney General Carlos Augusto Villalaz this afternoon said that Ubaldino Cervantes Vega and his sister are under arrest for being involved in this international narcotics trafficking case. Cervantes Vega and his sister were recently arrested when 800 kg of cocaine were found in their home in Altos de las Acacias neighborhood [in Panama City]. This individual today filed a writ of habeas corpus before the Supreme Court of Justice and against Attorney General Villalaz.

In concluding, Attorney General Villalaz disclosed that his office is investigating bank accounts and banks allegedly linked with this case, which involves three of the top leaders of the monopoly of cocaine trafficking and money laundering.

NO DRUG 'MONEY LAUNDERING' TOOK PLACE IN PANAMA

PA122254 Panama City EL SIGLO in Spanish 12 May 87 pp 1, 31

[Text] As everybody knows, Attorney General's Office agents have frozen 52 bank accounts in 18 local banks as a result of an operation, called "Pisces," carried out by the Drug Enforcement Agency, DEA, of the United States with cooperation from the Attorney General's Office based on Law 23 of 1986.

As a result of this, the board of directors of the Banking Association of Panama visited Panama's attorney general on 8 May to obtain information about what has been happening. Based on the information received during that visit and on the events that have followed, we can report the following:

1. The money deposited in the accounts that have been frozen were received by local banks in the form of transfers from foreign banks. Therefore, based on Article 13 of Law 23 of 1986, the crime commonly known as "money laundering" has not taken place in Panama.

2. Some of the transfers received by the local banks were made by DEA officials who have infiltrated the international drug trafficking world as money launderers.

3. It is believed that more than $270 million could have been frozen as a result of the Pisces operation. Of the total, $49 million was frozen in the United States and $10 million, approximately, in Panama.

4. The bank secrecy principle has not been violated because the Attorney General's Office can legally authorize its agents to request information from the banks while carrying out a criminal investigation, as has happened in this case.

It is suitable to note that the Banking Association of Panama believes participation by Panama in operations that would include the transfer to this country of money from the illegal traffic of drugs would not be convenient for Panama's image.

LEGISLATOR CRITICIZES HANDLING OF DRUG TRAFFICKING

PA122026 Panama City LA PRENSA in Spanish 12 May 87 p 1a

[Report by Zoila Rodriguez Jovane]

[Text] "Matters dealing with drug trafficking and money laundering are handled by the Panamanian Defense Forces and the current government solely for propaganda and to serve U.S. interests."

This was stated by Christian Democratic Legislator Guillermo Cochez when the questioning of the country's attorney general was interrupted by the "planned" breaking of the quorum by pro-government legislators in view of the compromising questions the opposition legislators were about to ask him.

The quorum, with more than 50 legislators present, suddenly changed when Eben Chi Rodriguez, leader of the progovernment legislators, ordered his faction to leave the room.

Prior to this, the session was interrupted during a lengthy recess after a heated exchange between Legislator Guillermo Cochez and Assembly President Ovidio Diaz who repeatedly rejected the Christian Democrat's request to take the floor.

When the session was renewed, Legislator Cochez took the floor, specifically referring to the violation of Article No 2099a of the new drug trafficking law, which says that the names of any individuals implicated in a drug trafficking crime will not be made public by any official of the Attorney General's Office until their guilt is proven.

"Reports on Jose Cervantes' case were published in various news media in open violation of this law by state agencies' officials only to impress the delegates of the international conference on Interpol which was by chance being held in Panama," he indicated.

Cochez criticized the fact that suspected drug trafficker Jose Cervantes was seen free in the Enrique Malek Airport in David on 23 April by Cochez and other witnesses, something which he said demands an explanation.

Prior to the session, the attorney general addressed a letter to the president of the assembly to justify his refusal to accept the assembly's summons. He said that the questionnaire submitted to him was not justified for the proper functioning of the administrative tasks of the assembly as is established in constitutional Articles 155 and 157.

In this regard, Cochez said it seems Carlos Villalaz is not this country's attorney general but an employee of the U.S. Attorney General's Office, to which he has given answers. While in Panama he argues that "he is unable to speak because of legal and constitutional reasons, citing the law when it is to his benefit."

MOVING TREATY IMPLEMENTATION TO 1990 URGED

PA122104 Panama City LA REPUBLICA in Spanish 11 May 87 p 5

["Voz Populi" column by Luis Restrepo: "Nationalist Reaction"]

[Text] Last week, the president of the Republic made a statement that could be termed a nationalistic reaction. Delvalle proposed that "if the U.S. Congress approved a bill forcing President Reagan's administration to reduce by 50 percent the economic aid to Panama, the Panamanian Government would decree that half the U.S. civilian and military personnel living in Panamanian territory would have to leave the country, that is, the Panama Canal Commission [PCC] and the U.S. Armed Forces "Zonian' employees in Panama."

It would be best for the national interest to accomplish this. However, in the interpretation of what the Republic of Panama has agreed upon with the United States in the existing canal treaties, one of the parties protected by that treaty might refuse to reduce its presence, particularly its military presence, in Panama before 1200 noon on 31 December 1999.

However, there is still another way to accomplish this or at least to terminate the "Zonian" presence in Panama. You should remember that Dr Jorge Illueca, in his statement to the country at the end of his term as president of the Republic, suggested Panama should soon begin the negotiations to complete the Torrijos-Carter Treaties on 1 January 1990.

It is necessary to bear in mind that on 1 January 1990, a Panamanian will be in charge of the administration of the Panama Canal. The dark "Zonian" forces and the ultraconservative sectors head by President Reagan are insistently plotting to prevent, no matter what, the appointment on 1 January 1990 of a Panamanian as administrator and a U.S. citizen as deputy administrator.

William Gianelli, president of the PCC board of directors, who was imposed by the U.S. majority on the Board of Directors, has openly said that "his government has not decided yet what will they do with the Panamanian administrator." The author believes that in view of this situation, the national government should immediately begin the negotiations to complete the treaties on the date proposed by Dr Illueca.

It has been proven that Panamanians are ready to administrate, operate, and keep the Panama Canal in optimum condition. Indeed, Panamanians are capable of taking care of all matters regarding the canal. They can also defend it. In the United States there are political sectors that would term as acceptable the termination of the treaty in 1990. Perhaps the greater opposition to this alternative would come from the Panamanian sectors who openly demonstrated at the CADE/87 [Annual Conference of Business Executives] their strong preference for the eternal presence of the "Zonians" and the U.S. Armed Forces in Panama, and who claim that "if the civilian or military Yankees leave, there will be chaos, communism, and we would lose the dollar." They are forgetting the dignity of the Panamanian people.

PRT SUPPORTS MILITARY TRAINING TO DEFEND CANAL

PA130121 Panama City EXTRA in Spanish 12 May 87 p 2

[Text] During yesterday's "Open Microphone" radio program [radio station not identified], Graciela Dixon, leader of the Revolutionary Party of the Workers [PRT], talked about the possibility of instituting compulsory military service or giving military training to Panamanian civilians.

Dixon made that remark in a discussion of the canal's defense after the year 2000. He also mentioned the possibility that the United States may be exerting pressure to maintain its military presence in Panama once its control over the canal area expires.

According to the PRT leader, the cost of defending the canal does not constitute a problem. She said defending the canal is a matter that involves all Panamanians, and for that reason all must receive military training.

Graciela Dixon emphatically stated that U.S. military bases cannot and must not be allowed to remain in Panama after the year 2000.

She noted that the Panamanian Defense Forces could object to giving military training to Panamanian civilians as they may regard the armed people as a potential enemy. The oligarchy and other capitalist forces may also object because they are afraid of a popular army in the country.

SOUTHERN COMMAND ROLE AFTER CANAL TURNOVER VIEWED

PA101923 Panama City LA REPUBLICA DOMINICAL in Spanish 10 May 87 p 21

[Article by Miguel Angel Picard Ami: "31 December 1999 Versus the U.S. Strategic Command or Permanent Neutrality of the Panama Canal Versus a Military Pact After the Year 2000"]

[Text] Regarded from a simplistic standpoint -- not to say from a servile standpoint, which was the standpoint observed during a recent meeting of business executives, excluding the patriotic, realistic, and, above all, nationalistic position of the Panama Defense Forces, represented by the address of their commander in chief, General Manuel Antonio Noriega -- Panama appears to be facing an alternative or dilemma concerning strict compliance with the Torrijos-Carter Treaties. The dilemma is whether the last of the foreign soldiers will leave our country at noon on 31 December 1999 or whether the U.S. Southern Command, which does not respond in any way to the Panama Canal's defense and security needs, but to the U.S. hegemonistic plans and military strategic (Star Wars), will continue to exist.

The speakers at that sorry business meeting said Panama should begin to think about a military pact with the United States after the year 2000 because the cost of strategic defense and the technology that kind of defense requires are not within Panama's capabilities. Said that way, the argument appears to be logical. However, it must be rejected because Panama's interests and the interest in recovering the waterway are different from the interests of the North. To us, the canal is our principal economic resource and should be at the service of our development and separate from any hegemonic or geopolitical aspirations. That is, the canal should exist to render a general service to world shipping and to act as a pillar of the process of national chance. The canal should not be used for spying and should not serve as a platform for aggression, and, least of all, to maintain imperialist tentacles in the region.

This calls for a different standpoint that has to do with aims and ends. Why is the Southern Command in Pamama? Is the Southern Command necessary for the security and defense of the Panama Canal -- which is the raison d'etre of the presence of U.S. troops in our country? Or, on the other hand: Is this command at the exclusive service of U.S. extraterritorial defense and thus part of U.S. military strategy?

Who does the Southern Command, headquartered in the canal area, serve? Does it serve the canal? Or is it a link in the network of commands the United States maintains around the world to defend itself outside its borders, a practice it has always maintained? Therefore, what direct relation with the security of the canal -- regarded simply as a transoceanic waterway -- will the Southern Command have after the canal comes under full Panamanian control?

Why would the Southern Command have to stay in Panama if the U.S. and Panamanian aims are different? Our nonaligned policy opposes military, defense, and particularly aggression pacts. Why would Panama have to continue to house an espionage center for the Caribbean and Pacific areas like the one the United States maintains in its strategic Southern Command installations? Who would seriously and honestly dare to maintain that this exists because the canal must be protected? From whom must we protect it with those very sophisticated means? From Panama's enemies, or from the United States' adversaries? Why must we continue to be tied to the interests and resulting dangers of the North's militaristic positions? These are the questions businessmen should have asked before attempting to convince the Panamanians to accept the presence of U.S. troops in Panama after the year 2000. It is an obligation to our martyrs of January [1964], to Torrijos, and to the future generations. We will never be able to elude that obligation.

Therefore, one should not speak about the high costs of the defense and security of the Panama Canal. Our Defense Forces are acquiring day by day the professionalism and technical capacity to defend the canal from any conventional aggression. That will not require "missiles," rocket-launching platforms, or any of those aggressive weapons which are necessary for a Southern Command that is spying from Panama and attacking countries in the Caribbean and Central America.

LIBERAL PARTY HOPES FOR 'CONSTITUTIONAL COUP'

PA091934 Panama City EXTRA in Spanish 9 May 87 p 2

[Text] Leading figures of the "gynecological" [Vice President Esquivel is a gynecologist] Liberal Party are encouraged by the possibility of carrying out a "constitutional coup" against President Eric Arturo Delvalle if he extends his tour of several European countries to more than 10 days.

Protected by several articles in the Constitution, this political party intends to accuse Delvalle of not complying with the regulation on requesting leave from his post. The intention is to have the Legislative Assembly try him for violating the National Constitution, in regard to the factors cited here.

Article 183 of the National Constitution points out that the president "can leave the country without requesting leave for a period that does not exceed 10 days." It also states that for periods exceeding the 10-day limit, the president must request permission from the cabinet council and the Legislative Assembly.

Vice President Roderick Esquivel's followers are hoping Delvalle will extend his trip, which was originally scheduled for 10 days, and disregard the other constitutional requirements. They are planning a campaign to create an appropriate atmosphere for the president's removal so the top Liberal leader can occupy the highest post in the Executive Branch.

Newsman Luis Estribi, Roderick Esquivel's official spokesman, is involved in the campaign. On one of his recent talk shows, which are aired on a local radio station, Estribi criticized President Delvalle's frequent "pleasure trips" abroad. Estribi also carried out a poll on the radio to test public opinion regarding a possible "constitutional coup" if Eric Arturo Delvalle extends his upcoming trip to Israel, Italy, and the Vatican to more than 10 days.

EL SALVADOR

FMLN-FDR REJECTS ARIAS PLAN AS 'NOT FEASIBLE'

PA121224 Madrid EFE in Spanish 0406 GMT 12 May 87

[Text] Mexico City, 11 May (EFE) -- Salvadoran guerrilla representatives today said that Costa Rican President Oscar Arias' peace plan for Central America "is not feasible" because it "ignores the struggle of the armed revolutionary movements" of El Salvador. The FDR-FMLN also stated that "the solution to the armed conflict in El Salvador would be a devisive factor for the achievement of a just and lasting peace in Central America."

The FDR-FMLN Political-Diplomatic Commission thanked the Costa Rican president for his peace initiative but indicated that "the plan cannot be implemented because it seeks to establish the same criteria to resolve problems that respond to different situations." The fronts noted that the greatest value of the Costa Rican president's proposal is that it "points to the need to resolve internal conflicts in the various countries of the region."

Salvador Samayoa, a member of the FDR-FMLN Diplomatic Commission, said that the Arias plan "looks at the Salvadoran situation from a standpoint that is not close to our reality and, therefore, it is not a good starting point to seek solutions to the conflict." He added that laying weapons down as proposed by the Arias plan is "unacceptable, because it would mean having the FMLN abandon the armed struggle to solve the conflict."

Samayoa reported that the Diplomatic Commission sent a letter to the European governments explaining the position of the Salvadoran guerrilla coalition regarding the Arias plan. However, he did not explain the reactions they have received.

In the letter, Samaoya said, the fronts reiterate their recognition for the Contadora Group's peace efforts "to the extent that it overcome the attempt to try to resolve the Salvadoran problem exclusively through agreements among the Central American governments."

Meanwhile, the Costa Rican president is touring several European countries to explain his peace proposal as the solution of the Central American conflict.

DEFENSE MINISTER DENIES CHARGES BY ALLEGED CONTRA

PA130230 San Salvador Canal Doce Television in Spanish 1800 GMT 11 May 87

[Text] Salvadoran Defense Minister General Carlos Eugenio Vides Casanova today denied remarks by a presumed Nicaraguan counterrevolutionary commander who said that Salvadoran Navy officers have planned to sabotage fuel storage tanks and a sugarmill in Nicaragua and destroy Sandinist government ships. According to Vides Casanova, this version is part of a Sandinist campaign to discredit the Salvadoran Government, aimed particularly to get U.S. aid for this country suspended. The minister also denied [words indistinct] version at the congress.

[Begin recording] [Vides Casanova] As for this wire dispatch from Nicaragua, I can tell you it is completely false. El Salvador has always respected the domestic affairs of other countries. It has shown this throughout history. The government and the Armed Forces' high command intend to maintain this position. Consequently, I think this is another move to try to get the Salvadoran Government and the Armed Forces involved in the alleged aid for the contras and simultaneously justify their own aid to Salvadoran guerrillas for a number of years. This aid has been in the form of arms and ammunition.

[Reporter] Another report mentions Ilopango Airport in the shipment of arms to the contras. What have you to say about this?

[Vides Casanova] General Bustillos has already reported on that. General Blandon also reported on this on 7 May. I agree with the two officers' report. [end recording]

The charge against Salvadoran military authorities occurred when the Sandinists presented the contra commander, identified as Captain Campos Alvarado, 26, to newsmen. Alvarado revealed plans of a special commando, which would attack with Piranha-type boats and planes the Nicaraguan port of Potosi on the border [as heard] with La Union Department in El Salvador. The group's leader accused Captain Quijada, Salvadoran Navy commander, Captain Vurgilio Melchor, of the Salvadoran Air Force, and another officer with being familiar with terrorist actions to be executed in Nicaragua.

The Armed Forces have reported that this charge involving the Salvadoran Army in the shipment of arms to the contras will be thoroughly investigated. The two officers mentioned will be interviewed soon.

ARMY TO REVIEW DEFENSE, COUNTERATTACK STRATEGIES

PA080353 San Salvador Channel 6 Television in Spanish 0100 GMT 7 May 87

[Report by Carlos Armando Rivera]

[Text] In view of the recent guerrilla attacks on military garrisons in Chalatenango and Morazan Departments, the Army has decided to review its defense and counterattack plans, General Carlos Eugenio Vides Casanova, the defense and public security minister, said today. Gen Vides Casanova said that the Armed Forces are planning new strategies to counterattack the rebel attacks on vital military positions such as the one that took place on 30 April against the brigade at El Paraiso and on 2 May against the San Francisco Gotera Military Detachment.

This morning Gen Vides Casanova attended a ceremony in which 116 new soldiers were sworn in at the 1st Infantry Brigade garrison.

[Begin recording] [Vides Casanova] Logically, all the actions they have carried out -- those two last attacks, especially the one in Chalatenango Department, because the one in Morazan did not have large consequences -- force us to organize a permanent review of all our defense plans, to improve our counterattack systems, and to analyze all the mistakes that we could have made.

In addition, we are checking to see whether any negligence could have also occurred in the attack. In this review, everyone is involved including watchmen and garrison commanders.

Up to this moment, we have organized many meetings in which we are planning and acquiring experience that will lead us to organize a new strategy that we will present to the enemy.

[Rivera] Mr Minister, do you believe the recent guerrilla attacks could mean the consolidation of the guerrilla movement in certain areas of the country?

[Vides Casanova] No, I think it is the opposite. I think they will try to continue dealing these kinds of blows. Those actions do not involve much effort. I could attack appointed positions with two or three soldiers and well-located mortars and obtain the results they obtain. Those are not very significant actions. On the contrary, those actions show their wish to maintain a permanent stand: They want to show to those who help them that they still have a positive force. I would consider that they have strength when they are able to say: We have occupied this department, we are going to keep control over it, and we will not give it up.

However, those long-range attacks, those treacherous attacks at night have inflicted casualties on us and have caused us propaganda problems, but all that does not mean that they are truly capable of taking control of a large area of the country.

[Rivera] Regarding the attacks on the various brigades, are you going to implement operations in certain areas so that new attacks cannot be carried out in those sectors?

[Vides Casanova] Yes, I think that our best defense is to attack. We have to continue searching for the subversive forces' redoubts to destabilize them and stop them from getting together to carry out these types of actions. [end recording]

Minister Vides Casanova reported that the Army will soon be implementing new military strategies to counterattack the guerrilla blows to the country's main garrisons.

UNGO ON DIALOGUE, U.S. AID, ARIAS PEACE PLAN

PA020110 San Salvador Channel 6 Television in Spanish 0200 GMT 30 Apr 87

[Report by Roxana Lemus in Managua]

[Text] FDR President Guillermo Ungo said during an interview for El Noticiero newscast that the Democratic victory in the U.S. Senate will strengthen dialogue in our country. The U.S. Democratic majority represents a real and positive factor in encouraging peace in the Central American area.

[Begin Ungo recording] Generally speaking, Democratic administrations have trusted political alliances and dialogue, so I think that the Salvadoran military officers should begin to worry about U.S. military aid. This aid will not last forever. [end recording]

Ungo added that there is a possibility of establishing contact with Democratic senators, provided that the Reagan administration allows this.

[Begin Ungo recording] We hope so, provided the Reagan administration's antidemocratic and repressive policy allows it. We have been denied visas, but the death squad leaders in El Salvador are given visas. Nevertheless, we have had the opportunity to hold talks with U.S. politicians and congressmen in Mexico, Panama, Nicaragua, and Costa Rica. We believe these talks will increase now that the electoral campaign has begun in the United States. There is much more interest, publicity, and openness about the Reagan administration's international political interests. [end recording]

Ungo also said that the peace proposal presented by Costa Rican President Oscar Arias is both positive and negative. The five presidents from the area will discuss this proposal at Esquipulas, Guatemala. He said that the negative thing about the proposal is that it does not include the armed opposition.

[Begin Ungo recording] First of all, the proposal excludes the FMLN. They make no reference to the matter and think they can simply state that the dialogue should only include the unarmed opposition. I think this is a contradiction, and a serious and grave incongruity. How can anyone discuss and agree on a cease-fire if the dialogue does not include those who have the weapons? [end recording]

The FDR leader is currently in Managua to hold meetings with several parliamentary members who are attending the IPU conference and are interested in knowing about the Salvadoran situation and the extended and increased war that affects Central America. Guillermo Ungo said the working classes represent the basis for a nation's development, and he added that the political-military struggle being waged in El Salvador is the result of a political, economic, and social crisis.

WORKERS GROUP DEMANDS EXPULSION OF U.S. ENVOY

PA122114 Panama City ACAN in Spanish 0110 GMT 12 May 87

[Text] San Salvador, 11 May (ACAN-EFE) -- A Salvadoran workers organization today requested the expulsion of U.S. Ambassador Edwin Corr. At the same time, two striking unions and a cooperative federation demanded that Jose Napoleon Duarte's government resolve their labor problems and put an end to repression.

The Committee of Dismissed and Unemployed Workers of El Salvador [Comite de Despedidos y Desempleados de El Salvador -- CODYDES], a component of the opposition National Union of Salvadoran Workers (UNTS), today stated during a news conference that "it agrees that foreigners should not interfere in the country's internal affairs and that those that do should be deported." The 5,000 members of CODYDES are part of UNTS, which claims to have some 250,000 members. The CODYDES members maintain that the U.S. ambassador, approximately 55 military advisers, and members of the American Institute for Free Labor Development "interfere in El Salvador's internal affairs," and thus should be declared "undesirable and deported from the country."

Meanwhile, the board of directors of the National Lottery Vendors Association [Asociacion de Expendedores de Billetes de la Loteria Nacional -- ASEBIL], which has been on strike for the past 12 days, stated that its members will not return to work until their demands have been met. Among other requests, ASEBIL members have asked officials of the National Lottery, the parastate institution that produces lottery tickets, to increase their profits by 5 percent and give them life insurance. The workers of the National Lottery Employees Union [Sindicato de Trabajadores de la Loteria Nacional -- SITRALONE] today stated at another news conference that they will probably join the ASEBIL strike in solidarity with the ticket vendors.

In addition, more than 50 workers of the Labels and Elastics of El Salvador factory [Etiqueta y Elasticos de El Salvador] began an 8-hour strike today to demand that they be paid their salaries and that management end its threats. The strikers stated that management threatened to "evict them from the factory violently" if they did not suspend the strike.

Meanwhile, the main Salvadoran cooperative organization, the Confederation of Cooperative Associations of El Salvador (COACES), the mainstay of UNTS with more than 100,000 members, marched through the capital's main streets today asking that governmental "repression end." At the end of the march, the cooperativists presented a document to Justice Minister Julio Samayoa in which they demanded "an immediate end to repression" and "a speedy clarification of the fate of their missing comrades." COACES President Marco Tulio Lima, who headed the march of some 150 cooperativists, said that in 1986 there had been 100 cooperativists arrested; 6 people murdered; 4 wounded, including a 2-year-old child; 3 disappeared; and 5 raped.

The members of both CODYDES and COACES reaffirmed the need for President Duarte to resign to allow for a government of broad participation in which all the country's social sectors would be represented.

ARMY HELICOPTER MAKES EMERGENCY LANDING

PA072253 Buenos Aires REUTER in Spanish 2138 GMT 7 May 87

[Text] San Salvador, 7 May (REUTER) -- A Salvadoran helicopter that was evacuating wounded people from the war area in the northeastern part of the country made an emergency landing today, but no one was killed, a military spokesman has reported.

This is the fourth military helicopter that has crashed in El Salvador this year. After the 28 April accident, when a helicopter crashed and 10 people were killed, Air Force Chief General Juan Rafael Bustillos said that many of the aircraft supplied by the United States to the Air Force are very old and were used in the Vietnam War.

Mechanical failure was cited as the reason for today's accident. The Armed Forces press office said the UH-1H Huey was carrying children wounded by land mines planted by the guerrillas, but the clandestine Radio Venceremos said the helicopter was evacuating soldiers wounded in combat.

GUATEMALA

PRESIDENT DEPARTS ON OFFICIAL VISIT TO U.S.

PA121358 Buenos Aires REUTER in Spanish 1345 GMT 12 May 87

[Text] Guatemala City, 12 May (REUTER) -- According to Guatemalan Government sources, Guatemalan President Vinicio Cerezo left for Washington on a 3-day official visit at 0650 (1250 GMT) today. The president, who will meet with U.S. President Ronald Reagan tomorrow, hopes to get greater economic and military aid for a country that has 8 million inhabitants.

OFFICIAL DERIDES ARIAS COUP POSSIBILITY STATEMENT

PA130025 Guatemala City Radio-Television Guatemala in Spanish 0425 GMT 12 May 87

[Text] Costa Rican President Oscar Arias Sanchez' statements about the alleged possibility of a coup d'etat in Guatemala have been commented on here. Foreign Minister Mario Quinonez and Defense Minister Hector Gramajo appeared to be disconcerted by the statement attributed to Arias.

[Begin unidentified speaker recording] I would say there is lack of information about what is really happening in the country because the fact that state employees are on strike does not mean one can conclude that there are conditions for a coup d'etat. I imagine that President Arias is not sufficiently informed. I regret the president of Costa Rica has made this comment because he is not in Guatemala and making superficial statements affects more than the stability of the country.

We are engaged in a democratic process, and one function of this process is to remove abnormal ideas from the minds of both civilian and military people.

You can tell the whole world that we are part of the process, that we respect the process, that we support the government, and that the president is the commander in chief of the Army. [end recording]

BRIEFS

POPPY PLANTATIONS -- Guatemala City, 25 Apr (ACAN-EFE) It has been officially reported in Guatemala City that members of the treasury police discovered two large poppy plantations in Tacama, San Marcos Department, on the border with Mexico. The plantations, with more than 204,000 poppy plants already in production stage, were destroyed by the police. In Peten, DEA planes initiated a huge antidrug operation on Tuesday, 21 April with toxic chemical products. [Summary] [Panama City ACAN in Spanish 1558 GMT 25 Apr 87 PA]

HONDURAS

REGALADO HERNANDEZ DISCUSSES U.S. IMPACT ON REGION

PA051834 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 4 May 87

["Highlights" of interview with General Humberto Regalado Hernandez, commander in chief of the Honduran Armed Forces, by unidentified Cadena Audio Video reporters on 3 May; place not given -- recorded]

[Text] [Reporter] What is your opinion of a report published in a Tegucigalpa newspaper linking the former commander in chief of the Honduran Forces as well as Armed Forces officers to deals with a private antiterrorist company? What can you say about that?

[Regalado] Without knowing a great deal about politics, perhaps I may be asked to express my views. You know that the aid to Central America, the contras, and the donation [donacion] of airplanes to Honduras is being discussed in the United States. It seems that a political sector in the United States does not care if we get the airplanes. For the last 11 years, we have dominated Central American airspace thanks to our own funds and thanks to the efforts of this country. Therefore, now that the United States is about to give us airplanes, this situation seems to be creating controversy there. There is a sector trying to sway the U.S. Congress not to give Honduras that aid, and so there were comments on this matter.

We are going to issue a communique again stating that we do have a battalion called 316 Battalion, which only processes information. You know that the military refers to information as rumors. We have to process those rumors and find out the truth. That task belongs to the 316 Battalion. It must turn information into intelligence...[changes thought] we refer to information as intelligence.

The 316 Battalion arose out of the need of our strategic defense concept. [sentence as heard] The battalion has three numbers. The three numbers mean that each part of that battalion is going to provide support to each theater of operation -- excuse me, each brigade. We have three brigades. Groups of engineers belonging to the 316 Battalion will support each brigade. Some people have even tried to discredit the battalion by accusing it of being part of a black death squad. I do not know...[pauses] they are called death squads. I can assure you that this is a professional battalion. All of the...[changes thought] I do not understand it, but have you noticed that communists do not mention the KGB? They only talk about the CIA. They protect the KGB. Thus, communist intelligence agencies are not even mentioned. Instead, they only talk about the CIA and everything related to intelligence units. These units are extremely important for the success of operations. An armed forces without intelligence lacks eyes and ears. For that reason, we must reinforce our intelligence units. The newspaper is not telling the truth. I imagine that the youth [not further identified] was paid off. All of a sudden, this youth made money by not telling the truth.

[Reporter] General Regalado, let us consider that in their infighting, the Democrats and Republicans in the United States are playing politics with us. Also, Honduran National Congress President Carlos Orbin Montoya spoke the truth -- we feel that he did and that we must keep his remarks in mind -- when he said that the United States is not a trustworthy friend because of that country's domestic policies. Do you agree with the president of the Congress?

[Regalado] My views are sincerely based on the concept of national security. I am familiar with the worldwide umbrella strategy of the United States to defend the Western Hemisphere. I have studied U.S. defense strategy. I believe in the U.S. strategic concept of a worldwide umbrella. However, as you know, a U.S. political party wants to take control of Central American policies from President Reagan. Just as I said earlier, the Armed Forces are optimistic. From the standpoint of national security, the Armed Forces are optimistic. You will recall who left that communist (?fire) in Nicaragua. It was a Democratic government.

[Reporter] Jimmy Carter.

[Regalado] Now that the Democrats have control of the U.S. Senate, they have the moral responsibility to remove that cancer from Central America. As you so rightly say, Central American countries will not flourish as long as there is a communist system in Nicaragua, and as long as we have that cancer in Central America.

Unfortunately, we are being dragged into that domestic dispute in the United States. It is a dispute that is not only dragging in the Honduran Government, but all Central American governments. As a result, to defend ourselves, we are being led [as heard] to the only consolidated institution of those governments, that is, the armed forces. To the communists, the armed forces constitute a nuisance. We do not let them do as they please. You notice that human rights groups and others are always biased. An unfortunate soldier of the FUSEP [Public Security Forces] dies defending our system and society, and no human rights group comes forth. Yet, if you touch a communist, they will send messages.

These groups have a remarkable communications network. The president gets complaints from Canada, Spain, and from all over. Yet, an unfortunate policeman or soldier dies defending this sytem, and nothing happens. Instead, they seem to hail it.

[Reporter] First I would like to ask you if the Armed Forces have an alternate policy for dealing with the Democrats, because it appears that the Democrats will gain power in the United States in 1988. I would also like to ask you what the Honduran Armed Forces think about General Noriega's statement that the Armed Forces should join Latin American peace processes?

[Regalado] As one of the countries of the Western Hemisphere, we are democrats by conviction. We are not an ally of a certain faction in the United States, we are an ally and a friend of the United States as the father of democracy in the Western Hemisphere. You may recall that after Vietnam, all countries in the Western Hemisphere lost confidence in the United States. We must remember what political party was in power at the time. Then along came Ronald Reagan as President of the United States. He renewed the trust of the countries of the Western Hemisphere in democracy, which at that time was in pieces.

As for General Noriega's statements, we agree with them. I have always said that if we, the military, could meet to support our presidents, we would. We have been the only ones that have remained silent, and one can see now that, the Central American Parliament is being organized. I believe that the armed forces, as they are directly responsible for the defense of our own countries, must also meet to support democracy in Central America. If you were to analyze carefully what is going on in Central America, you would see that the communists have established a beachhead in Nicaragua with an axis of movement towards the north, where Honduras is a front line force. Once this front line force is broken, Central America will fall, because Central America is as divided as the rest of Latin America. The communists have divided up Latin America because they believe it is easier to work that way; therefore, we agree with General Noriega. We are also very interested in solving the crisis through peace and dialogue, because we, the military, are the first ones not to want war as we are paid to risk our lives to defend our countries' sovereignty. We are the first ones not to want a war.

[Reporter] Recently in San Pedro Sula you gave your word, and said that people should trust your word that there are no contras in Honduras, that all the contras are in Nicaragua. Accepting your assurance that all the contras are currently fighting on Niaraguan territory -- and this is good for us, particularly for our fellow countrymen in the border zone -- can the Armed Forces guarantee that the contras will not return if they sustain a military defeat in Nicaragua?

[Regalado] We have two answers. One is based on the president of the Republic's policy and the other is based on the national security policy. Those responsible for national security must establish a cordon along the Honduran-Nicaraguan border. Also, the president has said that the contras are fighting inside [Nicaragua]. If they were to return here, they would have to do so under the protection of the refugee system, under the UNHCR [United Nations Office of High Commissioner for Refugees]. We treat the people's complaints very seriously. So much so that I once said: Gentlemen, we will go back to the areas around Cano Blanco, Maquingales, and Las Mieles. The Army is there. We have sent beans, basic grains, and other things to some people who have returned. This is so that they will be there with our soldiers, who are guaranteeing their security.

However, you must keep in mind that the border is long. Our Army is not big enough to cordon off that border. The job would be very easy if we had double the number of troops and if we had volunteers joining the Army. However, the problem is that we cannot put boys in military service in peacetime. What can we do? What if we recruit newsmen to awaken their esprit de corps so that they will realize the need we feel to call people into service? Then it would be possible to cordon off the border. However, this is very difficult.

[Reporter] General, in your opinion, what possibility is there that the contras will be victorious?

[Regalado] I really do not believe there will be a military victory. I also do not believe that the Nicaraguans will invade Honduras. Picture yourself defending your possessions at home with a shotgun or rifle. I believe that with a population of 4.5 million people in Honduras, an Army of approximately 50 million people would be necessary to control our country. All men and women would defend what is theirs.

A military victory is very difficult, particularly through irregular warfare. It goes without saying what would happen in a conventional war. You saw what happened on the Malvina Islands. It is very difficult.

The Armed Forces advocate a peaceful solution. I believe that our government's foreign policy must be supported. Everyone wants the president to do what he or she thinks is best regarding foreign policy. However, foreign policy cannot change constantly. There must be long-term planning based on the actions that are carried out. Here people want the president to change the policy when they believe it is inappropriate. It would be chaotic for the president to change his mind every time someone thinks his foreign policy is wrong.

NICARAGUA

DEFENSE MINISTRY CONFIRMS CONTRAS DOWN MI-17

PA130459 Paris AFP in Spanish 0441 GMT 13 May 87

[Text] Managua, 12 May (AFP) -- The Nicaraguan Defense Ministry tonight reported that an MI-17 helicopter of the Sandinist Air Force, FAS, was downed by the contras on Sunday, killing all four crew members. A brief official communique reported that the Soviet-made aircraft crashed after it was hit by rifle fire of FDN combatants. The aircraft's crew members, whose ranks and identities were not reported, burned to death when the helicopter caught fire. The incident occurred about 70 km north of San Jose de Bocay, Jinotega Department, near the border with Honduras. The Defense Ministry reported pointed out that the helicopter was hit "when in a bold maneuver it detached from the formation to strafe" the counterrevolutionaries "from a shorter distance."

DOMESTIC TRADE MINISTER DISCUSSES NEW POLICIES

PA061552 Managua Radio Noticias in Spanish 1200 GMT 5 May 87

[Text] Attention, the creation of a new salary incentive has been announced. This will be applicable to administrative workers.

Attention, another change in the government's policies. In June, the government will again discuss the case of collective agreements. Thus far, a labor policy unfavorable for a collective agreement has been implemented.

Domestic Trade Minister Commander Ramon Cabrales also made announcements regarding salaries and labor laws. He said performance incentives will be created for administrative workers. These are already incentives for production workers. Cabrales also announced the reaction of collective agreements. Cabrales spoke not only as domestic trade minister, but also as a member of the government commission in charge of studying the Nicaraguan standards of living. A new labor code is not necessary at this time, Cabrales said.

[Begin recording] Regarding salaries, we have two things to report. First, beginning in May the Labor Ministry will begin to implement a mechanism we have called performance incentive. [incentivo por desempeno].

That is, production workers, workers directly involved in production, receive production incentives. We understand that in some cases this is equivalent to 100 percent of the salary if the workers meet production goals, established work levels. Thus, for administrative workers, we are developing a mechanism we have called performance incentive, which in the optimum case would be equivalent to 60 percent of the worker's salary if the administrative workers fulfill the established control levels. This will first be implemented in the production and service enterprises, including the business sector. It will then be implemented in the public administration sector, depending on budget limitations.

We also want to mention that in June we will begin an in-depth process to discuss what we call collective contracts. You should remember that there was a time, at the moment of our triumph, when collective contracts almost became an incorrectly used instrument for other purposes which resulted [passage indistinct] seeking to cause harm to the revolution. With all of our experiences, and with more maturity, we believe it is necessary to again discuss the collective agreements. We should have an in-depth discussion of a document being prepared by the Labor Ministry, the labor leaders from the CST [Sandinist Central Organization of Workers] and the ATC [Association of Agricultural Workers] which will permit us to set up the legal, economic, and social framework that will regulate the relations among workers, employers, etc.

In this sense, we also want to note that the [words indistinct] commission believes that the most important point is not just to devote all efforts to creating a new Labor Code. Rather, the goal should be to provide a definition or to synthesize the legal, economic, and social framework generated by the revolution and express them in a collective bargaining contract. Such a collective bargaining contract would then be the document that would regulate labor relations. At this time, it is not necessary to begin an in-depth revision of all articles of the Labor Code merely because the present conditions are not the most adequate. This information can be further explained by the comrades from the Labor Ministry, [words indistinct] and the case of collective bargaining contracts, and the Labor Code [words indistinct]. [end recording]

BANK OFFICIAL VIEWS AGRICULTURAL FINANCING

PA090209 Managua Radio Sandino in Spanish 1930 GMT 8 May 87

[All figures as heard]

[Text] Angel Montnegro, executive director of the National Development Bank [BND], today reported that financing for the country's agricultural and production sectors during the 1987-88 period has reached a total of 310 billion cordobas. Montenegro said this financing is aimed a short-term loans, which account for more than 259 billion cordobas, while 50 billion cordobas are destined for long-term loans. The area to be planted through BND financing now amounts to 725,687 manzanas, a 21 percent increase over last year's figure. The rural loans in the agricultural program also include provisions for 94,000 peasant families. Montenegro said that 26,898 manzanas of pasture will be financed for the livestock sector alone.

There are also plans to finance the purchase of agricultural implements for producers of the state and private sectors and for peasants' cooperatives. These implements include 355 trucks, 499 tractors, and small vehicles like jeeps and motorcycles.

In conclusion, he said that during the 1986-87 cycle, the war resulted in losses valued at 200 million cordobas in Regions 1, 5, and 6. In addition, the drought ruined 17,000 manzanas of corn in the country's west.

[Begin Montenegro recording] It is worthwhile to mention that the largest percentage of financing is aimed at the private sector in the short-term program. This is broken down into the private sector that is included in the rural loans program, the cooperatives, and a smaller sector, the ATC [Association of Agricultural Workers]. Short-term financing is oriented toward export crops such as cotton, coffee, and sesame, as well as products for domestic consumption. For the 1987-88 cycle, we have plans to finance the cultivation of 725,687 manzanas. This represents a 21 percent increase over the previous cycle.

A substantial increase in domestic consumption products, such as corn, beans, rice, and sorghum, has been observed. These are broken down into property sectors. In the short-term program, the private sector occupies a more important share: Sixteen percent corresponds to the publicly-owned area, and 74 percent to the private sector. This latter sector is part of the greater [as heard] private sector and is included in the rural loans program. In practice, the latter has become one of the most important programs executed by the BND. If we examine this financing in the past 7 years, we will find that the rural loans program was a small program that included about 32,000 peasant families until July 1979. At present, this program includes 94,000 peasant families. It has experienced substantial growth because its actions have paralleled the development of agrarian reform in the country. Thus, financing in the short-term program is aimed at increasing both the cultivation of exportable agricultural products and the area cultivated for domestic consumption products previously mentioned.

We would also like to mention, regarding exportable agricultural products, that the latest cycle resulted in significant benefits for individual and private producers as well as the ATC sector in the form of incentives in U.S. currency. These incentives have resulted in cultivating larger areas. We have delivered $4,816,000 in incentives for coffee cultivation and about $1 million in incentives for cotton production. I understand that the U.S. dollar incentives will be maintained as part of the financing policies and the strategy for the new agricultural cycle to motivate private producers and the ATC to improve their yields and increase the areas of exportable agricultural products under cultivation. [end recording]

BORGE MEETS PEASANTS EVACUATED FROM NUEVA SEGOVIA

PA071946 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 7 May 87

[Text] At a meeting with peasant and religious leaders evacuated from the mountains in southern Neuva Guinea, Nicaraugan Interior Minister Tomas Borge Martinez, commander of the revolution, explained the country's overall situation and the reason for the war of aggression being experienced by that area.

The 21 heads of families and religious leaders are members of the more than 700 peasant families that were evacuated from the mountains in southern Nueva Guinea in the 2d week of April. (?They were forced) to serve as a base of support for the mercenary forces that have been operating in the area since 1982.

The revolutionary government transferred these families to various communities in Nueva Guinea to integrate them into cacao, basic grains, and cattle activities in the same productive lands from which they were evicted by the large landowners and Somozism. The families have joined health and adult education programs.

[Begin Borge Martinez recording] We must win the war to have peace. There is no other alternative. We cannot achieve peace without winning the war. Fortunately, we are winning the war, which means that we are achieving peace. [Words indistinct] when we are left in peace. [end recording]

For 1 week, these peasant leaders will visit tourist and production centers, and certain regions of the country to learn about the progress and effort of the revolutionary government and the Nicaraguan workers.

MISKITOS TO USE 'AIR BRIDGE' TO RETURN HOME

PA120418 Paris AFP in Spanish 0100 GMT 12 May 87

[Text] Managua, 11 May (AFP) -- The Nicaraguan Foreign Ministry announced today that as of Tuesday, an air bridge will be established to bring back to Nicaragua Miskito Indians who have been in Honduras as refugees.

A Nicaraguan Foreign Ministry communique explains that the first flights will take off from Puerto Lempira, Honduras, and will go to Puerto Cabezas, in Nicaragua's northeastern Atlantic coast. This operation is the result of agreements reached by the governments of Honduras and Nicaragua. The office of the UN High Commissioner for Refugees participated in these talks. The Nicaragua Foreign Ministry has estimated that hundreds of the 35,000 Miskitos Indians who are in Honduran territory will be returning.

The migration of these Indians to Honduras, as the Managua authorities have acknowledged, was due in large part to the errors committed during the first years of the revolution by government and FSLN officials who dealt with the Indians. The total Miskito Indian population at that time was 100,000 people, who were living in the northern and southern regions of Zelaya Department.

At the end of April, the Indian communities at a multiethnic assembly held in Puerto Cabezas approved a bill that calls for their autonomy and the creation of two regional governments. This bill will now be discussed by the Nicaraguan National Assembly.

U.S. CITIZENS PLOT TO KILL NICARAGUA'S ORTEGA

PA091334 Havana International Service in Spanish 2300 GMT 8 May 87

[Amalia Sanmartino commentary]

[Text] A cordial greeting from the capital of Cuba. The recently discovered plot to murder Nicaraguan President Daniel Ortega proves that the old terrorist methods used by U.S. Governments to destabilize nations are still being employed. The elimination of leaders has always been the dark card the United States has used at crucial moments, when other tactics aimed at either overthrowing governments or at frustrating movements that do not enjoy the favor of White House policy have not yielded expected results.

There are many examples of this in the world. The main threads of the conspiracy have always been handled by the CIA. Patrice Lumumba, Fidel Castro, Salvador Allende, and Mu'ammar al-Qadhdhafi are only a few examples of this sinister tactic. The case of Daniel Ortega is no less noteworthy because it is a more recent example. Ortega is the president of a country that for the past 7 years has been facing an open war with the U.S. Government which is using all its resources to try to change the political path Nicaragua has mapped for itself. In commenting on the foiled plot to kill him, Daniel Ortega accused the U.S. Administration of being the only truly guilty party. He recalled that U.S. policy on Nicaragua has resulted in more than 40,000 casualties in that Central American nation.

President Ortega explained the plot perfectly, when he affirmed that in view of counterrevolutionary defeat, the CIA is promoting a campaign of terrorism to kill Nicaraguans, including the president. The foiled plot demonstrates that the war of aggression is marching on the path of failure.

AFTERMATH OF ARGENTINE MILITARY UPRISINGS

PA082306 Havana International Service in Spanish 2300 GMT 7 May 87

["Our America" commentary read by Manolo Ortega]

[Text] Following the recent coup attempt by certain military officers who are unhappy with the actions of the civilian courts, several Argentine Government officials are ruling out the possibility that uprisings, such as those that occurred a few weeks ago, can happen again. However, there is still concern about this in the Casa Rosada and in the offices of certain ministers. Although these ministers make reassuring statements, they still admit that the military problem could reappear at any time.

Interior Minister Antonio Troccoli recently said that military reforms are urgently needed to prevent circumstances that may jeopardize the country's tranquillity, and everything seems to indicate that the reforms have begun.

In fact, 1 week after the coup attempt, the top Army command was purged with the retirement of 17 generals and the replacement of other commanders.

It must be taken into account that, according to the Buenos Aires media, the officers who were retired or replaced were those whom the rebel military officers had criticized. Although the authorities say that the Army reorganization is not a response to the rebel officers' demands, but a punishment decided by the president for those who failed to control the rebels, the truth is that the reforms are prompting the people to make many comments.

One of these comments, and perhaps the most persistent, is the principle of due obedience [obediencia debida] applied to field-grade officers. It has become the main issue in the political and legal debate in the country. This debate is taking place at a time when the prestige of military officers is at its lowest level. This was shown in a recent poll, which indicated that it is in last place. The controversial issue of due obedience, defended by the officers who carried out the repression in the seventies, is being unanimously rejected because, although it is true that the high command ordered the repression, no officer was under the obligation to obey orders that involved committing aberrant crimes such as torturing and killing people.

During the trial and sentencing of members of the military juntas, as well as some 20 chiefs of the Army and federal police, the judges did not issue a specific legal ruling on the scope of the so-called due obedience; it is this, precisely, that these officers are trying to obtain. Some military officers in active service or in retirement, and some field-grade officers said they would permit anything to defeat the subversion threatening the state. However, this insistence on this topic is very suspicious. If this claim is accepted, it would benefit the majority of the 450 officers who were not protected under the Final Point [Punto Final] law, and who are still awaiting trial. It would undoubtedly open the path to impunity and the committing of crimes similar to those of the past decade.

The people's demonstrations to protest the recent military uprising reconfirmed the citizens' views about the military officers and constituted a warning, especially if already-rejected measures are accepted.

BOLIVIANS OPPOSE MAY MANEUVERS WITH U.S.

PA120444 Havana International Service in Spanish 2300 GMT 11 May 87

[Text] Some 400 U.S. soldiers and more than 1,000 Bolivian soldiers have been deployed to 4 of the 9 provinces in Bolivia to participate in a counterinsurgency exercise that has caused strong local criticism. The current exercises will have theoretical and practical phases beginning on 19 May, including the installation of a military unit in Buenaventura and [Sujenabaque], less than 150 km from the Peruvian border. Helicopters equipped with cannons, fighter planes, very complex armaments, and modern communications equipment have been transported to Bolivia from U.S. bases for the maneuvers.

National political opposition figures, who identify themselves as the Group of 17 [Grupo de los 17], described these joint exercises as a violation of the country's sovereignty and a threat to the peasant population. A statement in this regard indicates that this is a new U.S. military incursion aimed at turning Bolivia into a weak [as heard] link of the global warmongering strategy of the Ronald Reagan administration. The Federation of Bolivian Press Workers said that Washington, with its third military incursion in the country in less than 12 months, is trying to establish a permanent base for rapid deployment actions against neighboring nations.

In addition, the Center for the Military Integration of Latin America and the Caribbean, which is made up of civilians and militarymen, agrees that the maneuvers are part of a 5-year strategy that will end with the installation of a base in the heart of our continent, the objective of which is to facilitate an aggression against any country in the area.

ETHIOPIAN CENTRAL COMMITTEE MEMBER ARRIVES

FL121500 Havana Tele-Rebelde Network in Spanish 1100 GMT 12 May 87

[Text] Abdela Sonesa, member of the Workers Party of Ethiopia [WPE] Central Committee and president of the All-Ethiopian Peasant's Association has arrived in Cuba at the invitation of the National Association of Small Farmers, ANAP.

ANAP Vice President Juan Jose Leon and Ethiopian Ambassador to Cuba Nadew Zekarias and other officials welcomed the visitors to Cuba. Sonesa will attend the Seventh ANAP Congress in Havana, which will be held from 15-17 May in the Palace of Conventions.

POLITICAL SITUATION IN PARAGUAY SURVEYED

PA121235 Havana International Service in Spanish 2300 GMT 11 May 87

["Our America" commentary, read by Manolo Ortega]

[Text] The most recent reports from Paraguay indicate that three basic aspects characterize the political situation in that South American nation. Dictator Alfredo Stroessner, under pressure from Washington, is making efforts to present a different view of his regime at the international level. The goal of this is to retain power. Meanwhile, the traditional opposition lacks sufficient popular support to present itself as the only alternative to the dictatorship. The third aspect is the people's significant support for labor and peasant organizations, which although outlawed, are organizing protests and waging a strong opposition to Stroessner.

Recently, in a clumsy attempt to clean up its image, Stroessner's regime lifted the state of siege in Asuncion and authorized the return of opposition leader Domingo Laino.

The move had more repercussions abroad than at home. It was aimed at showing some flexibility by the dictatorship to make it appear less brutal in the eyes of the public. However, in reality, repressive mechanisms did not stop. Actually, they were reinforced with a maxim by Justice and Labor Minister Eugenio Jaquet stating that when constitutional structures are not enough, the urban guard must come in to preserve order. Of course, the minister refers to commandos made up of murderers such as the so-called Anticommunist Armed Group, of which Jaquet considers himself to be the legitimate godfather, because he is representative of the sinister Moon Sect in Paraguay. That sect is linked to the South Korean regime, which supports and trains such groups.

In addition, traditional political groups cannot offer an alternative to the Stroessner regime and therefore are undeserving of popular support and apparently, also undeserving of U.S. consideration for a possible change. The hesitation and internal contradictions of the opposition regarding the upcoming general elections have shown a lack of cohesion. This diminishes the trust in the actions of such groups among the popular masses.

The national reality is increasingly tipping the scale toward the side of labor and peasant groups that have emerged from the struggle against repression and the demand for democratic liberties. We must keep in mind that 70 percent of the Paraguayan population is less than 30 years old and has lived under a dictatorship that they consider unbearable. Also, more than 1.2 million people are economically active; most of them are affected by unemployment and lack of opportunities. In addition, 350,000 peasants lack land to work on.

This problem, the fierce repression, and a lack of initiatives by traditional politicians have brought about the emergence of genuinely representative organizations out of the masses themselves. These organizations have a combativeness level that surpasses that of a majority of the population. The complex Paraguayan situation is very polarized, however, the objectives of each social group are clearly defined, and most importantly, it is clearly understood that the interests of the people do not in any way coincide with bourgeois interests and much less those represented by the discredited and senile Alfredo Stroessner.

'GIANT' DRIVE, BONUSES PLANNED FOR SUGAR WORKERS

FL111730 Havana Tele-Rebelde Network in Spanish 1235 GMT 11 May 87

[Commentary by Juan Varela Perez]

[Excerpts] Barely 3 days ago, certain information was given out at the meeting of the Central Group concerning essential features of the Cuban economy. The groups discussed the sugar harvest and said a maximum effort must be made in May. The group also discussed the big sugarcane planting plan for this year. [passage omitted] This giant campaign should extend over almost 30,000 caballerias. It will require a painstaking organization of the participating forces. [passage omitted] There's something very special this year -- the number of men and women to be mobilized by the Sugar Ministry. This mobilization will reach record numbers in Cuba, because, unfortunately, until now the sugar harvest has not been seen as a whole. [passage omitted]

With this new organization system, the majority of the men working for the sugar industry will guarantee the sugarcane. The essential thing is that in a stage like the present one, when there is so much pressure, so much tension -- there are still more than 100 sugar mills grinding -- we use available resources to the full. [passage omitted] The aim has been to have a mobilization that responds to a very definitive criterion. The leaders will be there alongside the men who do the basic work. All the vice ministers of the Sugar Ministry will visit the sugarcane camps. Labor trade union leaders from each complex in the ministry will go there and so will local party leaders -- and when I say local I mean at the enterprise level. In sum, the leaders will be there with their men.

One organizational stage will prioritize the planting and then the weeding to a large extent. [passage omitted] To provide stimulus for the people involved in this mobilization, two bonuses have been set up. It is a very simple emolument. One of them is for the 15-day minimum stay in the cane field. Every man or woman who stays in the cane fields a minimum of 15 days will get a bonus. In addition, another bonus has been set up [words indistinct] a general bonus. Anyone, permanent or not, who weeds or participates in 50 cordeles [one cordel is five paces in length] will get a bonus. It is a very simple emolument. The trade union did not want to make it complicated. Anyone who participates in this big mobilization will receive his incentive right away.

In other words, the workday will be used well, very dynamic, useful, and positive. Two work sessions of at least 8 hours each will be the rule. That is indispensable, unbreachable, as is quality. [passage omitted]

URUGUAYAN FOREIGN MINISTER MEETS WITH ECONOMIST

FL120310 Havana Radio Reloj Network in Spanish 0203 GMT 12 May 87

[Text] Enrique Iglesias, Uruguayan foreign minister, received today Laureano Leon, president of the National Association of Cuban Economists. He said he is pleased that the third congress of Latin American economists is being held in Montevideo. Leon informed Iglesias about the efforts he is making in Montevideo to promote the Third Congress of Latin American and Caribbean Economists Association that will be held in Havana from 23-26 November. The main subject of the meeting, which will be held at the Palace of Conventions, will be Latin America's economic perspectives. It was reported that Laureano Leon met today with the executive board of Uruguay's Accountants Association and with [Danilo Astoy], dean of Montevideo's School of Economic Sciences.

DOMINICA

LABOR MINISTER WARNS AGAINST COMMUNIST CONTROL

FL021638 Bridgetown CANA in English 1449 GMT 2 May 87

[Text] Roseau, Dominica, May 2, CANA -- Dominica's Labour Minister Brian Alleyne says the fragmentation of the local trade union movement is partly the result of ideological differences among union leaders. In a labour day message, Alleyne said that there were union leaders who were less interested in promoting the welfare of Dominican workers than in promoting alien ideologies, which he said would eventually serve to destroy the rights and freedom of workers.

The labour minister cautioned that the trade union movement had to be vigilant in the face of what he called a threat by some leaders to impose communist or socialist control. Alleyne said that the actions and expectations of the trade union movement should be modified to meet the challenges of today's realities.

GRENADA

PM WARNS ON 'POLITICS OF CONFRONTATION'

FL111843 Bridgetown CANA in English 2037 GMT 9 May 87

[Text] St George's, Grenada, May 9, CANA -- Grenada's Prime Minister Herbert Blaize last night accused three ministers who resigned from his government last month of embarking on the politics of confrontation. Blaize was commenting in his weekly radio broadcast on a visit made Thursday to the St George's General Hospital by Francis Alexis, George Brizan and Tillman Thomas. The trio resigned from government on April 13 citing difference on labour and economic policies.

Blaize charged that the ministers had not visited the hospital since the ruling party came to power in December 1984 and; he said they had now chosen to do so in non-visiting hours. He told the nation that Grenada's previous experience of the "politics of confrontation" had ended in 1983 with pain and massacre after 4 1/2 years of leftist revolution. He was referring to a bloody military coup which prompted a U.S.-led invasion of the island.

Blaize called on Grenadians to come forward with information of corruption in their possession against any member of his two-year old government. He said in a radio broadcast last night that any government official found guilty of wrong-doing would be dealt with. Blaize made the statement against the backdrop of what he said was the practice by some people of passing judgement on government ministers and officials without any "concrete evidence".

The prime minister said he was not prepared to preside over any administration in which members are dishonest in their public or private lives.

GUYANA'S HOYTE DESCRIBES RELATIONS AS EXCELLENT

FL071507 Bridgetown CANA in English 2222 GMT 6 May 87

[By George Worme]

[Text] St George's, Grenada, May 6, CANA -- President Desmond Hoyte of Guyana has described relations between Guyana and Grenada as excellent. "We have the most cordial relationship with the government of Grenada," he told CANA today shortly after meeting with senior Grenada Government officials. The Guyanese leader met with Prime Minister Herbert Blaize for about 45 minutes and also paid a courtesy call on Governor-General Sir Paul Scoon.

Relations between Grenada and Guyana cooled after the 1983 U.S.-led invasion of Grenada which the then Forbes Burnham administration condemned. Burnham, who died in August 1985, refused to recognize the regime which emerged in Grenada in elections held one year after the invasion.

Asked whether there was now a shift in policy from that of the late president, Hoyte said: "I don't think that the former president said he wouldn't recognize the Herbert Blaize Govenment." "He (Burnham) said he wouldn't recognize the government which took office immediately after the incidents of October 1983, so we are talking about an entirely different situation," Hoyte added. An interim government set up by Sir Paul ruled Grenada for one year after the invasion before the 1984 polls which brought Blaize's government to power.

Hoyte said that Guyana is trying to give "greater substance" to its relationship with Grenada by improving trade and economic ties.

Hoyte was in Grenada for today's official funeral for Guyana-born Andrey Palmer Hawke, the director-general of the Caribbean Tourism Association (CTA), and former minister of state for tourism in Grenada. He arrived this morning and was due to leave tonight.

JAMAICA

SEAGA ASSESSES 1986-87 ECONOMIC GROWTH

FL251353 Bridgetown CANA in English 1902 GMT 24 Apr 87

[Text] Kingston, Jamaica, April 24, CANA -- The Jamaican economy grew by between three and four per cent during the 1986-87 financial year, Prime Minister Edward Seaga said last night. It was the highest increase in economic growth in the Jamaican economy in 15 years, Seaga said as he opened debate on government's J6.9 billion dollar so-called growth budget.

The prime minister said the last time growth of this magnitude was achieved was in 1972, when it reached 4.8 percnet. He said the Jamaican economy was now in an upward growth stream with key indicators -- the fiscal deficit, the level of investment, rate of economic growth, net international reserves, rate of inflation, and the rate of employment -- reporting positively.

I am pleased to announce that the assessement carried out last month at the end of the financial year, reveals that all six major indicators have been turned around from the negative course of the 1970's and are once again in a positive direction.

The fiscal deficit had been reduced to a mere two per cent of gross domestic product, which was a dramatic reduction from an astounding 18 per cent of GDP in 1980-81, Seaga said.

Employment, the prime minister said, had risen significantly to levels comparable to those which obtained in the early 1970s -- one of the most economically stable periods since independence.

The labour force survey for 1987, tabled in the house today, reveals that the unemployment rate for 1986 has fallen to 23.6 per cent of the labour force, or roughly the equivalent of the 23 per cent in 1972. This is to be compared with a rate of 27.3 per cent in 1980, Seaga remarked. The manufacturing sector and the service sector, with tourism ranking high, created 27,000 jobs last year. This is the largest increase since 1981 and the second largest since 1969, Seaga added.

The prime minister said however that the rates of investment, inflation and growth, and the level of exchange reserves had done well, but had not reached quite early 70' levels. The level achieved in 1971-72 is never likely to be repeated as this was the period during which several alumina plants and major new hotels were under construction.

Keeping the inflation rate low is now a centrepiece of government's economic strategy, as an alternative to the devaluation of the Jamaican dollar, he declared.

There has been positive growth in the economy in four of the past six years and the net result by comparison with the 20 per cent decline in the 1970's has been a positive improvement of approximately four per cent, he said.

The prime minister went in to mention some of the sectors of the Jamaican economy, which he said showed the success of his government's economic program. They were listed as, mining, tourism, agriculture, and manufacturing.

The prime minister said bauxite-alumina production increased from 1985-87. This he attributed almost totally to the government leased bauxite plant, Clarendon Alumina partner (CAP) which the prime minister said continues to break records, and is one of the three most cost effective bauxite plants in the world.

Regarding the Aluminium Company of America (Alcan) he said the management of that company was in dispute with the government for using pressure tactics to prevent the government-owned bauxite ore operated plants from breaking into certain markets.

On tourism, Seaga said: The biggest success story has been tourism. The performance last year has confirmed this sector as the number one foreign exchange earner of the economy. Earnings last year were U.S. 539 million dollars as compared to U.S. 459 million in 1985-86, a very dramatic 20 per cent increase. For the first time in the history of tourism, one million visitors came to Jamaica in a single year.

On agriculture, the prime minister said based on export earnings last year's output increased by U.S. 22 million dollars to reach U.S. 108 million dollars. This compared with U.S. 86 million dollars in 1985-86. This was a very impressive 25.6 per cent increase. The prime minister said the improvement in agriculture, especially the export area, was due primarily to a change of attitude to export in accepting innovations such as commercial management and high technology.

The government's agricultural thrust, "agro 21," was making available government lands to private individuals for the use of commercial production, while the ministry of agriculture had sold lands to small farmers, Seaga said.

On manufacturing, the prime minister said the non-traditional export sector continued to enjoy an average annual growth rate of five per cent. He said much more than increased growth from this sector was necessary if it was to make a meaningful contribution to the country's foreign exchange reserves.

TRINIDAD AND TOBAGO

COMMISSION APPOINTED TO REVIEW CONSTITUTION

FL111658 Bridgetown CANA in English 1423 GMT 9 May 87

[Text] Port of Spain, Trinidad, May 9, CANA -- The attorney general has announced the appointment of a commission to review the constitution after weeks of controversy over the government's attempt to make its own changes. The move is consistent with the administration's commitment to vibrant democracy, Attorney General Selwyn Richardson told parliament yesterday.

A bill before the House of Representatives seeking to amend the constitution by rescinding appointments to the senate and the service commissions, made by recently retired President Ellis Clarke, has been put on hold. Richardson said the commissions' terms of reference "will embody a comprehensive review of the constitution with special consideration to be given to the nature of its structural framework and its suitability to our changing times including those matters of a like nature in the bill now before this house."

The five-month old administration was unhappy with appointments made by Clarke in his last days, some reportedly made without consultation with the prime minister. They wanted his successor, Noor Hassanali, to be given a free hand to make his choices. Richardson said that the two main comments directed at the bill had been on the need for the republic's constitution to be reviewed after ten years and for a general rather than piecemeal review.

Ten years..is a proper stage indeed in the life of any constitution when those over whom it presides should find it appropriate to subject it to review, Richardson said. He added that though supreme, the constitution is not immutable.

Government has a profound appreciation of the reality that the future of our democracy and of the constitution in which it is enshrined ultimately rest upon the shoulders of an alert and critical public, Richardson said.

This government will always be an active supporter and proponent of democratic principles. In this matter, it must be emphasized that the government has at all times acted scrupulously in accordance with the constitution. It is not this government which has violated the constitution and we do not propose to do so, he added.

The seven-man commission includes Chairman of the Elections Commission Sir Isaac Hyatali, social scientist and pollster, Dr. Selwyn Ryan, and senior counsel Michael de la Bastide.

The attorney general said other areas which needed review included the requirements allowing the police service commission to make appointments for dealing with internal force discipline, the need to bring the statutory authorities commission under the constitution, the ruling party's electoral promise to limit a prime minister's time to two terms, and provisions to give teeth to parliament's State Enterprises Supervisory Committee (PAEC).

DOMINICAN REPUBLIC

VENEZUELA EMBASSY WITHDRAWS BLANCO PROTECTION

PA122332 Paris AFP in Spanish 2251 GMT 12 May 87

[Text] Santo Domingo, 12 May (AFP) -- Dominican Foreign Minister Donald Reid Cabral reported this afternoon that the Venezuelan Embassy has withdrawn its protection of former President Salvador Jorge Blanco, who sought refuge at the embassy on 30 April.

Asked whether Blanco, who sought refuge in the Venezuelan Embassy on 30 April to avoid a judicial arrest warrant, and who has been interned at a clinic since Friday with a serious coronary ailment, was under detention, the foreign minister replied: "He had been under arrest [as received] since the arrest warrant was issued."

Because of the former president's ill health, an official cardiological commission yesterday recommended that he be taken abroad for a thorough examination. It was first said that this transfer would occur early tomorrow.